

NOTE: this consolidated Base Prospectus containing amendments made under the first supplement to the Base Prospectus published on the Issuer's website at https://lordslb.lt/orkela_bonds/ has not been approved by the Bank of Lithuania and is provided only for informational purpose.

UAB "Orkela"

(a private limited liability company established and existing under the laws of the Republic of Lithuania, legal entity code 304099538)

BASE PROSPECTUS FOR THE PUBLIC OFFERING OF BONDS OF UAB "ORKELA" IN THE AMOUNT OF EUR 19,049,000 (BEING A PART OF TOTAL EUR 40,000,000 ISSUE) AND ADMISSION OF BONDS IN THE AMOUNT OF UP TO EUR 19,049,000 TO TRADING ON THE BOND LIST OF NASDAQ VILNIUS AB

This base prospectus (the **Prospectus**) was prepared for the public offering of bonds of UAB "Orkela", a private limited liability company established and existing under the laws of the Republic of Lithuania, legal entity code 304099538, registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania (the **Company** or **Issuer**) (the **Bonds**) in the amount of up to EUR 19,049,000 (being a part of total EUR 40,000,000 issue (the **Issue**)) with:

- (i) first part of the Issue in the amount of EUR 5,000,000 already issued under exemption provided in Article 1(4(b)) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the **Prospectus Regulation**);
- (ii) second part of the Issue in the amount of up to EUR 15,951,000 already issued under the first Issuer's prospectus approved by the Bank of Lithuania (in its capacity as the competent authority in the Republic of Lithuania under the Prospectus Regulation) on 24 May 2022 (which has expired on 24 May 2023) in accordance with the Prospectus Regulation (the **First Prospectus**);
- (iii) third part of the Issue in the amount of up to EUR 19,049,000 to be offered under this Prospectus (the **Offering**) approved and published in accordance with the Prospectus Regulation,

and admission of the third part of the Issue (the **Admission**) thereof to trading on the Bond List of Nasdaq Vilnius AB (the **Bond List of Nasdaq** or **Nasdaq**), a regulated market in the Republic of Lithuania.

Considering the above, as of the date of this Prospectus the Issuer has issued Bonds in the total amount of EUR 20,951,000 in accordance with the Prospectus Regulation and those Bonds are admitted to trading on the Bond List of Nasdaq. The Bonds of the first and second parts of the Issue together with the Bonds to be issued under this Prospectus shall constitute one and the same Issue.

Under this Prospectus, the Company may from time to time publicly offer and issue up to 19,049 Bonds with the nominal value of EUR 1,000 each to retail and institutional investors of the Republic of Lithuania, the Republic of Latvia and the Republic of Estonia. All Bonds offered, issued, listed and admitted to trading under this Prospectus from time to time by way of all separate series (the **Tranche**) under respective final terms (the **Final Terms**) will form one and the same Issue and have the same international securities identifier number (the **ISIN**).

This Prospectus should be read and constructed together with any supplements hereto (if any) and any other documents attached herein, in relation to any Tranche of Bonds, with the relevant Final Terms of the respective Tranche published in accordance with this Prospectus. The Tranche specific summary shall be annexed to the relevant Final Terms together with the translations of the summary into the languages of the Offering jurisdictions.

Neither this Prospectus, nor any Final Terms constitute or form a part of an offer to sell or a solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Furthermore, the distribution of this Prospectus or any Final Terms in certain jurisdictions may be restricted by law. Thus, persons in possession of this Prospectus or any Final Terms are required to inform themselves about and to observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Bonds referred to herein have not been and will not be registered under the U.S Securities Act of 1933, as amended, or under any securities laws of any state or other jurisdiction of the United States of America (further may also be referred to as the **US, U.S**) and are not being offered or sold within the United States of America or to, or for the account or benefit of, US persons (for more information please see Section 2.2 *Notice to Prospective Investors* in Section II of this Prospectus).

The Bonds shall be offered, as specified in the Prospectus, subject to possible cancellation or modification of the Offering and subject to certain other conditions as disclosed in the Prospectus.

This Prospectus has been prepared by the Company in accordance with the Prospectus Regulation, Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (the **Delegated Regulation 2019/980**) and in particular its Annexes VI and XIV, Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the

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European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301 (the **Delegated Regulation 2019/979**) and the Law of the Republic of Lithuania on Securities, as may be amended from time to time (the **Law on Securities**), and the rules promulgated thereunder.

The Bank of Lithuania in its capacity as the competent authority in the Republic of Lithuania under the Prospectus Regulation on 14 November 2023 has approved this document as a Prospectus and has notified the approval of the Prospectus to the Estonian Financial Supervision Authority (in Estonian: *Finantsinspeksioon*; the **EFSA**) and to the Bank of Latvia (in Latvian: *Latvijas Banka*).

The approval by the Bank of Lithuania of this Prospectus only means that it is meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the Bonds that are the subject of this Prospectus. The investors have to make their own assessment as to the suitability of investing in the Bonds.

The information contained herein is current as of the date of this Prospectus. Neither the delivery of this Prospectus or any Final Terms, nor the offer, sale or delivery of the Bonds shall, under any circumstances, create any implication that no adverse changes have occurred, nor events have happened, which may or could result in an adverse effect on the Company's business, financial condition or results of operations and/or the market price of the Bonds. Nothing contained in this Prospectus constitutes, or shall be relied upon as, a promise or representation by the Issuer or the Lead Manager (as defined below) as to the future.

Although the whole text of this Prospectus, including any Final Terms should be read, the attention of persons receiving this document or any Final Terms is drawn, in particular, to the Section headed Risk Factors contained in Section III of the Prospectus. All statements regarding the Company's business, financial position and prospects as well as the Offering should be viewed in light of the risk factors set out in Section III of this Prospectus.

All the Bonds of the Company (when issued) will be dematerialized registered bonds and will be registered with Lithuanian branch of Nasdaq CSD, SE (the merged central securities depository of the Republic of Lithuania, Latvia and Estonia, the **Nasdaq CSD** or **Registrar**) that operates a central security depository in the Republic of Lithuania (the **Register**).

Nasdaq CSD when registering the Bonds of different Tranches in the Register will provide the same ISIN to the Bonds of different Tranches, since they all will constitute one and the same Issue. Bondholders will be able to hold the Bonds through Nasdaq CSD participants, such as investment firms and custodian banks operating in any of the Baltic states.

Šiaulių bankas, AB, legal entity code 112025254, with its registered address at Tilžės st. 149, Šiauliai, the Republic of Lithuania is the lead manager (the **Lead Manager**) in the Republic of Lithuania, the Republic of Estonia and the Republic of Latvia for the purposes of Offering and Admission of the Bonds to trading on the Bond List of Nasdaq.

Lead Manager



The date of this Prospectus
14 November 2023

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I. BACKGROUND TO THE OFFERING AND USE OF PROCEEDS / ESSENTIAL INFORMATION

A. Interest of natural and legal persons involved in the Offering

The Lead Manager is appointed by the Issuer as responsible person in the Republic of Lithuania, the Republic of Estonia and the Republic of Latvia for the purposes of Offering and Admission of the Bonds to trading on the Bond List of Nasdaq. The Issuer is paying fees (commissions) established in the Placement Agreement for the services provided by the Lead Manager.

The law firm Ellex Valiūnas ir partneriai is appointed by the Issuer as legal adviser for the purposes of the Prospectus related matters and Issuer's representation at the Bank of Lithuania. The Issuer is paying fees established in the representation agreement dated 18 February 2021 for the services provided by the legal advisers.

The Trustee is appointed by the Issuer as Bondholders' trustee as required under the Law on Protection of Interests of Bondholders. The Issuer is paying fees established in the Agreement on Bondholders' Protection for the services provided by the Trustee.

There are no other persons appointed by the Issuer in connection with the Prospectus, Offering and Admission of the Bonds to trading on the Bond List of Nasdaq as of the date of this Prospectus.

To the best knowledge of the Issuer neither the Lead Manager nor the legal advisers or the Trustee has any conflict of interest pertaining to the responsibilities assigned to them by the Issuer.

B. Reasons for the Offering and the Use of Proceeds

This Prospectus was developed in connection with the Offering in the Republic of Lithuania, the Republic of Estonia and the Republic of Latvia and Admission to trading on the Bond List of Nasdaq. If all 19,049 Bonds are sold in the Offering, the Issuer is estimated to raise approximately EUR 19,049,000 in proceeds. The Issuer intends to utilize the proceeds of the Offering to (i) fund the construction and fit-out of the Project in the amount of up to EUR 15,271,632; (ii) repay the existing subordinated debt to the Issuer's direct shareholder (i.e. Fund) arising out of the bond subscription agreement concluded by the Issuer and the Fund dated 15 November 2018, but not more than EUR 300,000.96 which is the amount not repaid from the permitted repayment of EUR 1,500,000 debt to the Fund under the decision of the sole shareholder of the Issuer (i.e. the Fund) dated 2 December 2021, with clarifying decisions of the sole shareholder (i.e. the Fund) adopted on 7 December 2021 and on 13 December 2021; and (iii) finance the Issuer's working capital in the amount of up to EUR 485,000; (iv) interest payments up to EUR 2,800,000; (v) payment of the fees and expenses incurred in connection with the Offering in the amount of up to EUR 192,368.

Fees and expenses associated with the Offering will be borne by the Company up to EUR 192,368 in total (including the maximum amount of any discretionary commission): up to EUR 157,868 payable for the Bonds placement services, and up to EUR 15,000 for the legal services, expenses up to EUR 8,500 for the Admission of the Bonds to the Bond List of Nasdaq and fees payable to the Trustee up to EUR 8,000 (within the validity term of the Prospectus). In addition to that and during the validity term of this Prospectus the Issuer also expects to pay approximately up to EUR 3,000 of Nasdaq fees in connection with an Auction, if any. These costs of the Offering will be covered from proceeds of the Offering and shall be borne by the Investors indirectly.

C. Terms and Conditions of the Offering

Please see Section VI *Description of Bonds Offering and Admission to Trading* for more information about the Offering and Admission to trading on the Bond List of Nasdaq, including the offer statistics.

D. Final Terms of the Bonds

Please see Section VII *Form of Final Terms of the Bonds* where the form of the Final Terms to be used for each Tranche of Bonds is disclosed.

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II. IMPORTANT INFORMATION

Prospectus. This Prospectus has been prepared by the Company in connection with the Offering and the Admission, solely for the purpose of enabling any prospective Investor to consider an investment in the Bonds. This Prospectus is a base prospectus in the form of a single document within the meaning of Article 8(6) of the Prospectus Regulation. The Prospectus comprises of a registration document of the Company drawn up in accordance with Annex VI of the Delegated Regulation 2019/980 and of securities note of the Bonds drawn up in accordance with Annex XIV of the Delegated Regulation 2019/980.

This Prospectus has been approved by the Bank of Lithuania, as competent authority under the Prospectus Regulation. The Bank of Lithuania only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of quality of the Bonds that are the subject to this Prospectus.

This Prospectus should be read and construed together with any supplement hereto (if any) and with any other documents attached herein and, in relation to any Tranche of Bonds, with the Final Terms (in the form provided in this Prospectus) published on the website of the Issuer and on Nasdaq operated Central Storage Facility at www.crib.lt before opening the Subscription Period of such new Tranche.

The validity of the Prospectus will expire 12 months after approval hereof (i.e. on 14 November 2024). The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a Prospectus is no longer valid.

Taking into consideration that this Prospectus contains several hyperlinks to websites, it is also noted that the information on such websites does not form part of the Prospectus and has not been scrutinised or approved by the Bank of Lithuania. This shall not apply to hyperlinks to information that is incorporated by reference to this Prospectus (please see Section 2.5 *Information Incorporated by Reference* below).

2.1. Responsibility for this Prospectus

Persons Responsible. The person responsible for the information provided in this Prospectus is UAB "Orkela", legal entity code 304099538, registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania. To the best of the knowledge of the Company the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

Anastasija Pocienė
General Manager

Rūta Abromavičienė
Procurist

Limitations of Liability. Without prejudice to the above, no responsibility is accepted by the persons responsible for the information given in this Prospectus solely on the basis of the individual summary (and translations thereof) of any Tranche attached to the relevant Final Terms in accordance with this Prospectus, unless such summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Furthermore, the Lead Manager and the legal advisors to the Company and to the Lead Manager expressly disclaim any liability based on the information contained in this Prospectus, the summary or individual parts hereof and will not accept any responsibility for the correctness, completeness or import of such information. No information contained in this Prospectus or disseminated by the Company in connection with the Offering and Admission may be construed to constitute a warranty or representation, whether express or implied, made by the Lead Manager or the legal advisors to any party.

Neither the Company nor the Lead Manager or the legal advisors to the Company and to the Lead Manager will accept any responsibility for the information pertaining to the Offering and Admission, the Fund, the Management Company or its operations, where such information is disseminated or otherwise made public by third parties either in connection with the Offering and Admission or otherwise.

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By participating in the Offering, Investors agree that they are relying on their own examination and analysis of this Prospectus (including the financial statements of the Company which form an indispensable part of this Prospectus), relevant Final Terms and any information on the Company and on the Fund and the Management Company that is available in the public domain. Investors must also acknowledge the risk factors that may affect the outcome of such investment decision (as presented in Section III *Risk Factors*).

Any persons in possession of this Prospectus should not assume that the information in this Prospectus is accurate as of any other date than the date of this Prospectus, if not expressly indicated otherwise. The delivery of this Prospectus at any time after the conclusion of it will not, under any circumstances, create any implication that there has been no change in the Company's (Fund's or Management Company's) affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date. In case material changes in operations of the Issuer occur until the term of validity of this Prospectus or until Admission, they will be reflected in supplements to the Prospectus, which will be subject to an approval by the Bank of Lithuania and notification to the EFSA and the Bank of Latvia. The supplement (if any) will be published in the same manner as the Prospectus.

Prior to making any decision as to whether to subscribe for the Bonds, prospective investors should read this Prospectus in its entirety and should not just rely on key information or information summarised within it.

2.2. Notice to Prospective Investors

The distribution of this Prospectus, any Final Terms and the Offering of the Bonds in certain jurisdictions may be restricted by law. Any person residing outside the Republic of Lithuania, the Republic of Estonia and the Republic of Latvia may receive this Prospectus or any Final Terms only within limits of applicable special provisions or restrictions.

The Issuer requires persons into whose possession this Prospectus or any part of it, or any Final Terms comes to inform themselves of and observe all such restrictions. This Prospectus and any Final Terms may not be distributed or published in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Lithuanian laws, including the US, Australia, Canada, Hong Kong and Japan.

In addition to that neither this Prospectus nor any Final Terms may be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the Bonds offered hereby in any jurisdiction in which such offer or invitation would be unlawful. Persons in possession of this Prospectus or any Final Terms are required to inform themselves about and to observe any such restrictions, including those set out in this Section. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. The Issuer, the Lead Manager or their representatives and/or legal advisers do not accept any legal responsibility whatsoever for any such violations, whether or not a prospective Investor is aware of such restrictions.

As a condition for the subscription/purchase of any Bonds in the Offering, each subscriber/purchaser will be deemed to have made, or in some cases be required to make, certain representations and warranties, which will be relied upon by the Company, the Lead Manager and others involved in the Offering. The Company reserves the right, at its sole and absolute discretion, to reject any subscription/purchase of Bonds that the Company, the Lead Manager or any agents believe may give rise to a breach or a violation of any law, rule or regulation.

The Bonds have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the US or any other US regulatory authority, nor have any of the foregoing passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the US.

The Bonds have not been and will not be registered in accordance with the U.S. Securities Act of 1933 (the **U.S Securities Act**) or under the securities laws of any state of the United States of America and accordingly, they may not be offered, sold, resold, granted, delivered, allotted, taken up, transferred or renounced, directly or indirectly, in or into the US, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and any securities laws of any state of the US.

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Unless specifically otherwise stated in this Prospectus, the Bonds may not be, directly or indirectly, offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Lithuanian laws, including the US, except for the exceptions to registration obligation allowed by the securities laws of the US and its states, Australia, Canada, Hong Kong and Japan. The Issuer and the Lead Manager require persons into whose possession this Prospectus or any part of it comes to, or any Final Terms, inform them of and observe all such restrictions.

This Prospectus constitutes a base prospectus within the meaning of the Prospectus Regulation, for the purpose of giving the information with regard to the Company and the Bonds it intends to offer pursuant to this Prospectus, which is necessary to enable prospective Investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company. This Prospectus has been prepared by the Company for use in connection with the Offering in the Republic of Lithuania, the Republic of Estonia and the Republic of Latvia only and for the Admission. The Company and the Lead Manager reserve the right to reject any offer to purchase/subscribe the Bonds, in whole or in part, for any reason.

This document constitutes a base Prospectus in the form of a single document within the meaning of Article 8(6) of the Prospectus Regulation. This Prospectus has been filed with, and was approved by the Bank of Lithuania, which is the competent authority in the Republic of Lithuania to approve this document as a Prospectus. However, in relation to each Member State of the EEA (except the Republic of Lithuania, the Republic of Estonia and the Republic of Latvia), the Lead Manager has represented and agreed that it has not made and will not make any public offer of the Bonds in any Member State of the EEA prior to that Member State's competent authority receiving a certificate of approval of the Bank of Lithuania attesting that the Prospectus has been drawn up in accordance with the Prospectus Regulation together with a copy of the Prospectus, and the due publication of the Prospectus in accordance with that Member State's applicable rules.

Accordingly, any person making or intending to make an offer within the EEA of the Bonds which are the subject of an Offering contemplated by the Final Terms of the relevant Tranche (other than the offer of the Bonds in the Republic of Lithuania, the Republic of Estonia and the Republic of Latvia) may only do so in circumstances in which no obligation arises for the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

2.3. Presentation of Financial and Other Information

Final Terms and Reading the Prospectus. The Bonds are issued in Tranches on the terms set out under Section VI *Description of Bonds Offering and Admission to Trading* (the **Terms and Conditions**) as completed by a document specific to each such Tranche called the final terms (the **Final Terms**) as described under Section VII *Form of Final Terms of the Bonds*. The Prospectus should be read together with all supplements to the Prospectus (if any) and in respect of each Tranche of Bonds with the Final Terms of such Tranche. The Final Terms of each individual Tranche will be published together with the individual summary drawn up for such Tranche on the website of the Company at https://lordslb.lt/orkela_bonds/ and on Nasdaq operated Central Storage Facility at www.crib.lt. The Final Terms and summary of the separate Tranches will not be approved by the Bank of Lithuania or any other supervisory authority but will be filed with the Bank of Lithuania. In the event of any inconsistency between Terms and Conditions in this Prospectus and the relevant Final Terms, the relevant Final Terms shall prevail.

Financial Statements. The Prospectus contains incorporated by reference under Section 2.5 *Information incorporated by Reference* of this Prospectus the Company's historical financial information:

- (i) the audited financial statements for the year ended 31 December 2021;
- (ii) the audited financial statements for the year ended 31 December 2022 ((i) and (ii) together referred to as the **BAS Audited Financial Statements**);
- (iii) the unaudited interim financial information of the Company for the half-year period ended 30 June 2023 (the **BAS Unaudited Interim Financial Statements** and together with the BAS Audited Financial Statements referred to as the **BAS Financial Statements**).

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The BAS Financial Statements have been prepared in accordance with the Lithuanian Business Accounting Standards (the **BAS**).

The presentation of financial information in accordance with the BAS requires management to make various estimates and assumptions which may impact the values shown in the financial statements and notes thereto. The actual values may differ from such assumptions.

The BAS Audited Financial Statements for the years ended 31 December 2021 and 31 December 2022 were audited by "KPMG Baltics" UAB, legal entity code 111494971, having its registered address at Lvovo st. 101, LT-08104 Vilnius, the Republic of Lithuania. The auditor Ieva Voverienė is the independent auditor of the BAS Audited Financial Statements for the years ended 31 December 2021 and 31 December 2022.

Approximation of Numbers. Numerical and quantitative values in this Prospectus (e.g. monetary values, percentage values, etc.) are presented with such precision which the Company deems sufficient in order to convey adequate and appropriate information on the relevant matter. From time to time, quantitative values have been rounded up to the nearest reasonable decimal or whole value in order to avoid excessive level of detail. As a result, certain values presented as percentages do not necessarily add up to 100% due to the effects of approximation. Exact numbers may be derived from the financial statements of the Company to the extent that the relevant information is reflected therein.

Dating of Information. This Prospectus is drawn up based on information which was valid on 14 November 2023. Where not expressly indicated otherwise, all information presented in this Prospectus (including the financial information of the Company, the facts concerning Fund's and Management Company's operations and any information on the markets in which they operate) must be understood to refer to the state of affairs as of the aforementioned date. Where information is presented as of a date other than 14 November 2023, this is identified by either specifying the relevant date or by the use of expressions as "the date of this Prospectus", "to date", "until the date hereof" and other similar expressions, which must all be construed to mean the date of this Prospectus (14 November 2023).

Currencies. In this Prospectus, financial information is presented in euro (EUR), i.e. the official currency of the EU Member States participating in the Economic and Monetary Union, including the Republic of Lithuania (as from 1 January 2015). Amounts originally available in other currencies have been converted to euro as of the date for which such information is expressed to be valid.

Updates. The Company will update the information contained in this Prospectus only by approving and announcing the supplements to the Prospectus, as is mandatory under applicable law. The Company is under no obligation to update or modify forward-looking statements included in this Prospectus.

Third Party Information and Market Information. The information contained in the Prospectus has been provided by the Issuer and/or received from other sources identified herein. Thus, with respect to certain portions of this Prospectus, some information may have been sourced from third parties. Such information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by such other third parties, no facts have been omitted, which would render the reproduced information inaccurate or misleading. Certain information with respect to the markets in which the Fund and the Management Company is operating is based on the best assessment made by the Issuer. With respect to the industry in which the Fund and the Management Company are active, and certain jurisdictions, in which their operations are being conducted, reliable market information might be unavailable or incomplete. Whilst every reasonable care was taken to provide the best possible estimate of the relevant market situation and the information on the relevant industry, such information may not be relied upon as final and conclusive. Investors are encouraged to conduct their own investigation into the relevant markets or seek professional advice. Information on estimated market shares within certain industries and/or sectors represents the Issuer's views, unless specifically indicated otherwise.

2.4. Forward-Looking Statements

This Prospectus includes forward-looking statements. Such forward-looking statements are based on current expectations and projections about future events, which are in turn made on the basis of the best judgment of the Issuer. Certain statements are based on the belief of the Issuer as well as assumptions made by and information currently available to the Issuer as at the date of this Prospectus. Any forward-looking statements included in this Prospectus are subject to risks, uncertainties and assumptions about

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the future operations of the Company, the Fund and the Management Company, the macroeconomic environment and other similar factors.

In particular, such forward-looking statements may be identified by use of words such as *strategy, expect, forecast, plan, anticipate, believe, will, continue, estimate, intend, project, goals, targets* and other words and expressions of similar meaning. Forward-looking statements can also be identified by the fact that they do not relate strictly to historical or current facts. As with any projection or forecast, they are inherently susceptible to uncertainty and changes in circumstances, and the Company is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements contained in this Prospectus whether as a result of such changes, new information, subsequent events or otherwise.

The validity and accuracy of any forward-looking statements is affected by the fact that the Issuer, the Fund and the Management Company operate in a competitive business environment. The operations are affected by changes in domestic and foreign laws and regulations, taxes, developments in competition, economic, strategic, political and social conditions and other factors. The Issuer's, the Fund's and the Management Company's actual results may differ materially from the Issuer's expectations because of the changes in such factors. Other factors and risks could adversely affect the operations, business or financial results of the Issuer, the Fund and the Management Company (please see Section III *Risk Factors* for a discussion of the risks which are identifiable and deemed material at the date hereof).

2.5. Information incorporated by Reference

The following information is incorporated in this Prospectus by reference in accordance with Article 19 of the Prospectus Regulation:

- Company's Articles of Association (may be accessed through the following hyperlinks: (LT) https://lordslb.lt/wp-content/uploads/2023/10/Orkela-istatai_2023-10-16.pdf, (EN) https://lordslb.lt/wp-content/uploads/2023/10/Orkela-istatai_2023-10-16_EN.pdf);
- Company's BAS Audited Financial Statements for the year ended 31 December 2021 together with the annual reports and independent auditor's reports on the financial statements and on the annual reports (may be accessed through the following hyperlinks: (LT) https://lordslb.lt/wp-content/uploads/2022/05/Orkela_FA_2021_LT_signed.pdf, (EN) https://lordslb.lt/wp-content/uploads/2022/05/Orkela_FA_2021_EN.pdf);
- Company's BAS Audited Financial Statements for the year ended 31 December 2022 together with the annual reports and independent auditor's reports on the financial statements and on the annual reports (may be accessed through the following hyperlinks: (LT) <https://lordslb.lt/wp-content/uploads/2023/05/uaborkela-2022-12-31-lt.xhtml> and independent auditor's reports <https://lordslb.lt/wp-content/uploads/2023/09/Orkela-ismada-LT-2022-signed.pdf>, (EN) <https://lordslb.lt/wp-content/uploads/2023/05/uaborkela-2022-12-31-en.xhtml> and independent auditor's reports https://lordslb.lt/wp-content/uploads/2023/09/Orkela-audit-report-EN_2022_signed.pdf);
- Company's BAS Unaudited Financial Statements for the half-year period ended 30 June 2023 (may be accessed through the following hyperlinks: (LT) https://lordslb.lt/wp-content/uploads/2023/10/Orkela-FA-2023-2Q_signed.pdf, (EN) https://lordslb.lt/wp-content/uploads/2023/10/Orkela-FA-2023Q2_EN_signed.pdf).

It is possible to get acquainted with the aforementioned documents on the website of the Company at https://lordslb.lt/orkela_bonds/.

Documents on Display. Throughout the period of validity of this Prospectus, the Prospectus, any Final Terms and the aforementioned BAS Financial Statements and Articles of Association of the Company shall be available on the Issuer's website at https://lordslb.lt/orkela_bonds/ or at the Issuer, Lead Manager or Trustee, upon sending a request by the e-mail of the Issuer info@lordslb.lt and/or e-mail of the Lead Manager broker@sb.lt or the Trustee info@audifina.lt. Any interested party may obtain a copy of these documents without a charge.

Reference to the Company's website in this Prospectus should not be deemed to incorporate the information on the Company's website by reference.

2.6. Definitions used in the Prospectus

NOTE: this consolidated Base Prospectus containing amendments made under the first supplement to the Base Prospectus published on the Issuer's website at https://lordslb.lt/orkela_bonds/ has not been approved by the Bank of Lithuania and is provided only for informational purpose.

In this Prospectus, the definitions will have the meaning indicated below, unless the context of the Prospectus requires otherwise. Definitions are listed in alphabetical order and the list is limited to the definitions which are considered to be of most importance.

Admission	The admission of the Bonds issued under this Prospectus to trading on the Bond List of Nasdaq. For the avoidance of doubt, on the date of this Prospectus, the Bonds in the total amount of EUR 20,951,000 issued as first and second parts of the Issue in accordance with the Prospectus Regulation are already admitted to trading on the Bond List of Nasdaq.
Agreement on Bondholders' Protection	An agreement on protection of interests of Bondholders and collateral agency concluded on 8 December 2021 between the Issuer and Trustee under which the Trustee represents rights and interests of Bondholders and performs the task of the Collateral Agent for the benefit of the Bondholders.
Articles of Association	Articles of Association of the Company, as available on the Issuer's website at https://lordslb.lt/orkela_bonds/ .
Auction	Each public auction (Primary Distribution) of the Bonds of the relevant Tranche organized by the Lead Manager through Nasdaq trading system pursuant to this Prospectus, relevant Final Terms, Auction Rules, Auction Agreement, Special Rules of Nasdaq and during which the Lead Manager, Nasdaq and Exchange Members have predetermined rights and obligations in connection with the Primary Distribution of the Bonds of the relevant Tranche. If an Auction of the Bonds is organized through Nasdaq, this will be indicated in the Final Terms and the respective announcement will be made on Nasdaq website before opening of the Auction (Subscription Period) of the respective Tranche. More information about the possibility to Subscribe to the Bonds through the Auction is provided in part <i>Additional provisions in respect to Subscription procedure for the Auction</i> of Section 6.6 <i>Terms and Conditions of the Offer</i> of this Prospectus.
Auction Rules	Each Auction is organized and carried out according to the Rules of UAB "Orkela" Bonds Subscription Process (Auction) prepared by the Lead Manager and published on the website of Nasdaq at www.nasdaqbaltic.com before opening of the Auction (Subscription Period) of the relevant Tranche.
Auction Agreement	Each agreement on organizing the Issuer's Bonds Subscription process concluded between the Lead Manager and Nasdaq under which the Lead Manager assigns Nasdaq and Nasdaq undertakes to provide technical infrastructure to carry out the Offering by way of an Auction through Nasdaq's trading system in respect to the relevant Tranche.
Bank of Lithuania	The Bank of Lithuania (in Lithuanian: <i>Lietuvos bankas</i>) with its registered office in Vilnius, the Republic Lithuania. The Lithuanian financial supervision authority.
BAS	The Lithuanian Business Accounting Standards.
BAS Audited Financial Statements	The Company's audited financial statements for the years ended 31 December 2021 and 31 December 2022 prepared in accordance with the BAS together with the annual reports and independent auditor's reports on the financial statements and on the annual reports.
BAS Financial Statements	The Company's BAS Audited Financial Statements and BAS Unaudited Financial Statements.
BAS Unaudited Financial Statements	The Company's unaudited financial statements for the half-year period ended 30 June 2023 prepared in accordance with the BAS.
Bond	A fixed-term non-equity non-convertible (debt) security instrument with ISIN LT0000405961 and that is issued by the Issuer in accordance <i>inter alia</i> with the Prospectus and the respective Final Terms and approved by the decision of the sole shareholder of the Issuer (i.e. the Fund) dated 2 December 2021, with clarifying decisions of the sole shareholder (i.e. the Fund) adopted on 7 December 2021 and on 13 December 2021, and represents the Issuer's secured debt obligation in the amount of the Nominal Value of the Bond and the interest payable on the Bond, that is issued and is redeemable in accordance with the Prospectus.

NOTE: this consolidated Base Prospectus containing amendments made under the first supplement to the Base Prospectus published on the Issuer's website at https://lordslb.lt/orkela_bonds/ has not been approved by the Bank of Lithuania and is provided only for informational purpose.

Bond List of Nasdaq	The regulated bond market operated by Nasdaq Vilnius.
Bondholders' Meeting	A meeting of the Bondholders of the Issuer convened following the requirements and procedure set forth in applicable laws and this Prospectus.
Building	The following buildings/constructions with unique No 094-0425-8024; 1094-0425-8013; 1094-0425-8057; 1094-0425-8079; 1094-0425-8080; 1094-0425-8102; 1094-0425-8135; 1094-0425-8157; 4400-5626-3382 situated on the Land Plot which at the later stages of the Project can be divided into separate premises.
Business Day	Any day, except Saturday, Sunday, a national or a public holiday of the Republic of Lithuania.
Civil Code	Civil Code of the Republic of Lithuania.
CIT	Corporate income tax.
Collateral Agreement	The Lithuanian law governed maximum joint mortgage agreement creating a first ranking mortgage over the Property entered into on 17 December 2021 by the Trustee and the Issuer to secure the Secured Obligations for the benefit of the Investors.
Collateral	The Property mortgaged under the Collateral Agreement.
Company or Issuer	UAB "Orkela", a private limited liability company, legal entity code 304099538, with its registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania. The Company's data is collected and stored with the Register of Legal Entities of the Republic of Lithuania.
Confirmation	The confirmation sent to the Investor by the Issuer evidencing the extent of satisfaction or rejection of the Subscription Order submitted by the Investor, the number of the Bonds allotted to the Investor, except where an Auction is organized. For the avoidance of doubt, when an Auction is organized, each Exchange Member will send notices and/or other information to the relevant Investors about allotment of the Bonds upon receiving information about such allotment from Nasdaq CSD in accordance with the Auction Rules.
Completion of the Project	The final commissioning of the Building under the procedures set forth in the applicable laws and 100% completion of the constructions of the Building with the Register of Real Estate of the Republic of Lithuania.
Delegated Regulation 2019/980	Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Commission Regulation (EC) No 809/2004.
Delegated Regulation 2019/979	Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301.
Delivery Versus Payment	Delivery versus payment is a securities industry settlement method that guarantees the transfer of securities only happens simultaneously as the payment for the securities.
DTT	Any of the Double Taxation Avoidance Treaties concluded by the Republic of Lithuania, the Republic of Latvia, the Republic of Estonia and other countries, as may be applicable.
Early Maturity Date	A Business Day before the Final Maturity Date when the Issuer must redeem all or part of the Bonds in case of any of the Extraordinary Early Redemption Event as it is set forth in Section 6.3.2.1 of the Prospectus
Early Redemption Date	Date(s) on which the Issuer has the right or obligation to redeem all or part of the Bonds before the Final Maturity Date in accordance with the Prospectus.
EEA	European Economic Area.

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EU	European Union.
EUR, €, euro	The lawful currency of the EU Member States that have adopted the single currency, including the Republic of Lithuania.
Exchange Member	Bank or investment firm to whom the status of Exchange Member has been assigned in accordance with Nasdaq Vilnius, Nasdaq Riga or Nasdaq Tallinn Member Rules and having access to GENIUM INET trading system are eligible to participate in the Auction (i.e. enter buy orders in Nasdaq trading system during the Subscription Period). The list of banks and investment firms which are Exchange Members is available on the website https://nasdaqbaltic.com/statistics/lt/members .
Extraordinary Redemption Event	Early Any event as set forth in Section 6.3.2.1 of the Prospectus.
Final Maturity Date	A final date on which the Bonds of the Issue (including those issued under this Prospectus) within all Tranches must be redeemed by the Issuer from the Investors and which is 19 January 2025.
Financial Indebtedness	Any indebtedness for or in respect of (i) moneys borrowed; (ii) any acceptance under any acceptance credit facility (including any dematerialised equivalent); (iii) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; (iv) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis); (v) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price; (vi) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; (vii) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in items (i) to (vi) above.
First Prospectus	The first Issuer's prospectus approved by the Bank of Lithuania (in its capacity as the competent authority in the Republic of Lithuania under the Prospectus Regulation) on 24 May 2022 in accordance with the Prospectus Regulation and which has expired on 24 May 2023, and under which the Bonds in the amount of EUR 15,951,000 were offered, issued and admitted to trading on the Bond List of Nasdaq. On the basis of the First Prospectus, the Bonds in the amount of EUR 5,000,000 issued under the exemption provided in Article 1(4(b)) of the Prospectus Regulation were also admitted to trading on the Bond List of Nasdaq.
Final Terms	The final terms of the relevant Tranche of the Bonds, where the form of the Final Terms is provided in Section VII <i>Form of Final Terms of the Bonds</i> .
Fund	Lords LB Special Fund IV, closed-end real estate investment fund intended for informed investors (fund code No I032, registered by the Director of the Supervision Service of the Bank of Lithuania on 20 June 2016), managed by the Management Company.
General Manager	The General Manager of the Company.
General Meeting	General Meeting of Shareholders of the Company, the supreme body of the Company.
i.e.	A Latin term that is defined as meaning in other words or that is.
Interest Payment Date	A date on which the interest is paid to the Investors, i.e. 19 January 2024, 19 July 2024, 19 January 2025, or, if applicable, Early Redemption Date or Early Maturity Date.
Investors or Bondholders	A holder of a Bond as registered with the Register or, where relevant, a person (Retail Investor or Institutional Investor) who has placed a Subscription Order.
Institutional Investor	An Investor who is a professional client in terms of Article 4(1)(10) of MiFID II.
Issue Date	The Business Day set out as "Issue Date" in the Final Terms of the respective Tranche, on which Bonds are registered with the Register.
Issue Price	The price indicated in the Final Terms of the respective Tranche payable by an Investor latest on the relevant Payment Date for acquisition of the Bond(s), determined considering the Nominal Value of the Bonds, the

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	Yield and adding the interest accrued on the Bonds from the last Interest Payment Date (in case it was before the Issue Date of the relevant Tranche). The Issue Price of different Tranches may vary and will be indicated in the Final Terms of the respective Tranche.
Issue	The aggregate of the Bonds issued or to be issued under ISIN LT0000405961 by way of all Tranches in the amount of up to EUR 40,000,000, including the first part of the Bonds in the amount of EUR 5,000,000 issued under the exemption provided in Article 1(4(b)) of the Prospectus Regulation, the second part of the Bonds in the amount of EUR 15,951,000 issued under the First Prospectus, and the third part of the Bonds in the amount of up to EUR 19,049,000 to be issued under this Prospectus.
Yield	A return measure for an investment over a set period of time, expressed as a percentage and determined taking into account the credit risk of the Issuer, interest payment and redemption structure of the Bonds and considering current yields of alternative debt instruments present in the Lithuanian capital market. The Yield of different Tranches may vary and will be indicated in the Final Terms of the respective Tranche.
Key Executives or Management	The Chief Executive Officer (the CEO), the Chief Financial Officer (the CFO), the Chief Risk Officer (the CRO), the members of the Management Board of the Management Company collectively.
Law on Companies	Law on Companies of the Republic of Lithuania.
Law on CIT	Law on CIT of the Republic of Lithuania, Law on CIT of the Republic of Latvia, Law on CID of the Republic of Estonia, whichever is applicable.
Law on Markets in Financial Instruments	Law on Markets in Financial Instruments of the Republic of Lithuania.
Law on PIT	The Law on PIT of the Republic of Lithuania, the Law on PIT of the Republic of Latvia or the Law on PIT of the Republic of Estonia, whichever is applicable.
Law on Protection of Interests of Bondholders	Law of the Republic of Lithuania on Protection of Interests of Bondholders of Public Limited Liability Companies and Private Limited Liability Companies.
Law on Securities	Law on Securities of the Republic of Lithuania.
Land Plot	The land plot with unique number 4400-1845-7359 located at Vasario 16 st. 1, Vilnius, the Republic of Lithuania.
Lead Manager	Šiaulių bankas, AB, legal entity code 112025254, with its registered address at Tilžės st. 149, Šiauliai, the Republic of Lithuania, which is assigned by the Issuer for the purpose of Offering the Bonds under the Prospectus. Additionally, the Lead Manager is the organizer of the Auction, if any, acting on behalf of the Issuer.
LTC	Loan to cost ratio, calculated under the rules set in Section 6.3.1.6 of the Prospectus, expressed as percentage of the Net Issue Size divided by the costs of the Project.
Management Company	UAB "Lords LB Asset Management", legal entity code 301849625, registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania, and AIFM licensed fund management company, which is supervised by the Bank of Lithuania.
Manager	The manager assigned by the Issuer from time to time for the purpose of Offering of the Bonds under the Prospectus and indicated in the Final Terms of the respective Tranche, if any Manager is to be engaged in connection with the Offering.
Maximum Aggregate Nominal Value of the Offering	The maximum aggregate Nominal Value of the Bonds to be offered and issued in Tranches jointly under this Prospectus and respective Final Terms which amounts to EUR 19,049,000.
Major Shareholders	The Company's shareholders holding directly or indirectly more than 5% of the authorised capital of the Company. Details of the major shareholders on the Prospectus date are provided in Section 4.9 <i>Major Shareholders</i> .
Market Abuse Regulation	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

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Member State	A member state of the EU or EEA, as applicable.
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
Minimum Investment Amount	A minimum investment amount in Bonds under the respective Tranche as disclosed in the Final Terms of the Tranche.
Nasdaq Vilnius or Nasdaq or Exchange	Nasdaq Vilnius AB – Vilnius Stock Exchange, a public limited liability company organized and existing under the laws of the Republic of Lithuania, legal entity code 110057488, with its registered address at Konstitucijos ave. 29, Vilnius, the Republic Lithuania. The company's data is collected and stored with the Register of Legal Entities of the Republic of Lithuania.
Nasdaq CSD or Registrar	Lithuanian branch of Nasdaq CSD SE (<i>Societas Europaea</i>), the merged central securities depository of the Republic of Lithuania, the Republic of Latvia and the Republic of Estonia, the clearing and settlement institution of these Baltic countries, legal entity code 304602060, with its registered address at Konstitucijos ave. 29-1, Vilnius, the Republic of Lithuania.
Net Issue Size	A total amount of outstanding Bonds (Nominal Value of Bonds) on the day when the LTC ratio is being calculated as described in Section 6.3.1.6 of the Prospectus, excluding amounts in the Securities Account.
Nominal Value	The stated value of a Bond, whereas on the Issue Date the Nominal Value is the value in which a Bond is denominated and following the repayment of principal of the Bonds, the Nominal Value is equal to the outstanding principal value of the Bond. The Nominal Value of a Bond is EUR 1,000.
OECD	Organisation for Economic Co-operation and Development.
Offering	The offering of the Bonds based on this Prospectus and any Final Terms, prepared and published by the Issuer in compliance with this Prospectus.
Payment Date	A Business Day on or before the Issue Date designated in the Final Terms of the respective Tranche latest on which the payment of the Issue Price must be credited to the Settlement Account indicated in the Confirmation sent to the Investor, or in case of an Auction, a Business Day on which the settlement for the Bonds is made by Nasdaq CSD and the Exchange Members on the Investors' behalf in accordance with Auction Rules (i.e. Delivery Versus Payment method).
PIT	Personal Income Tax.
Placement Agreement	The agreement concluded on 21 November 2022 between the Company and the Lead Manager related to the Offering and Admission.
Primary Distribution	The Subscription and sale of the Bonds to the Investors in accordance with this Prospectus and the Final Terms of the respective Tranche.
Project	A real estate development project undertaken by the Issuer with regard to the Property as described in Section V of this Prospectus.
Property	The Building and Land Plot.
Prospectus	This document, prepared for the purpose of the Offering and the Admission.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
Record Date	The third Business Day before the Interest Payment Date, Final Maturity Date, Early Redemption Date or Early Maturity Date, whichever is relevant.
Redemption Price	The amount payable by the Issuer to the Investors upon the regular redemption (i.e. on the Final Maturity Date) or early redemption (i.e. on the Early Redemption Date or Early Maturity Date) of the Bonds, calculated in accordance with this Prospectus.
Register	The Lithuanian central securities depository operated by the Registrar.
Rejection	The rejection of the occurrence of the Extraordinary Early Redemption Event by the Issuer pursuant to Section 6.3.2. of this Prospectus.
Related Parties	As defined in the International Accounting Standard, 24 <i>Related Party Disclosures</i> .

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Related Entities	Jointly the Management Company, its subsidiaries where the Management Company indirectly or directly holds at least 10% shares or voting rights, the Issuer and all other entities where the Issuer directly or indirectly holds at least 10% shares or voting rights.
Retail Investor	An Investor who is a non-professional client in terms of Article 4(1)(11) of MiFID II.
Section	A section of this Prospectus.
Secured Obligation	Any and all present and future payment obligations and liabilities (whether actual or contingent or whether owed jointly and severally or in any other capacity) of the Issuer towards the Investors from time to time under the Issue, including but not limited to the obligations arising from the Bonds.
Security	A mortgage, pledge, guarantee, surety or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
Securities Account	The securities account and the Settlement account linked to such securities account opened in the name of the Issuer at the Lead Manager and which is designated to record transactions made on behalf of the Issuer by the Lead Manager in respect to the Offering, the disposal thereof is restricted in a manner described in this Prospectus and the Security Account Agreement.
Securities Account Agreement	The agreement for opening and maintenance of the Securities Account and provision of securities accounting services, concluded by and between the Issuer and Lead Manager on 21 November 2022.
Settlement Account	The cash account of the Issuer linked to the Securities Account opened with the Lead Manager and which is indicated in the Confirmation sent to the Investor and to which the Issue Price for the Bonds shall be paid by the Investor on the Payment Date of the respective Tranche. For the avoidance of doubt, the Lead Manager shall make respective records in the Securities Account when the funds are credited to the Settlement Account or released from it.
Shares	Any ordinary registered shares of the Company with the nominal value of EUR 25 each issued and outstanding at any time.
Special Rules of Nasdaq	Special Procedures Market Rules of Nasdaq approved by the decision of the Management Board of Nasdaq dated 3 December 2019 No. 19-80.
Subscription Orders	A document, which is submitted by the Investor to the Issuer, Lead Manager and/or Manager, if any, for subscription of Bonds. For the avoidance of doubt, a standard Subscription Order form of the relevant Tranche shall be provided by the Lead Manager or the Manager, if any, upon the Investor's request or made available on the Issuer's website at https://lordslb.lt/orkela_bonds/ . In respect to the Auction, if any, the Subscription Order shall mean a document and/or instruction, which is submitted by the Investor to the Exchange Member for the Subscription of the Bonds in the form as used and approved by the Exchange Member and that contains all information required under the Auction Rules.
Subscription Period	A period during which the Investors will be allowed to submit the Subscription Orders in accordance with the Prospectus and the Final Terms of the respective Tranche. The Subscription Period for each Tranche will be indicated in the Final Terms of the respective Tranche.
Subscription	The Subscription Orders which have been submitted according to the Prospectus and relevant Final Terms by the Investors to the Issuer, Lead Manager and/or Manager, if any, and/or during the Auction, if any, to the Exchange Member, and which are decided by the Issuer to be satisfied either wholly or partially in accordance with the Prospectus.
Terms and Conditions	The terms and conditions applicable to all the Bonds to be issued in each of the respective Tranches, as indicated in Section VI <i>Description of Bonds Offering and Admission to Trading</i> .
Tranche	Portion of the Bonds of the Issue, issued respectively under the exemption provided in Article 1(4(b)) of the Prospectus Regulation, the First Prospectus and under this Prospectus and bearing specific conditions of the Bonds of the respective tranche as disclosed in the applicable Final Terms.

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Trustee or Collateral Agent	UAB „AUDIFINA“, a private limited liability company, legal entity code 125921757, with its registered address at A. Juozapavičiaus st. 6, LT-09310 Vilnius, the Republic of Lithuania (i) with which the Issuer has concluded the Agreement on Bondholders' Protection, (ii) which shall be the Collateral agent under the Collateral Agreement on behalf and for the benefit of the Bondholders, and (iii) which executes other orders specified in the Agreement on Bondholders' Protection.
U.S. Securities Act	The United States Securities Act of 1933, as amended.
VAT	The value added tax applicable in the Republic of Lithuania.

2.7. Use of this Prospectus

This Prospectus and any Final Terms are prepared solely for the purposes of the Offering and the Admission; it may not be construed as a warranty or a representation to any person not participating or not eligible to participate in the Offering or trade in the Bonds. No Offering of the Bonds is conducted in any jurisdiction other than Republic of Lithuania, the Republic of Estonia and the Republic of Latvia and consequently the dissemination of this Prospectus or any Final Terms in other countries may be restricted or prohibited by law. The Prospectus or any Final Terms cannot be used for any purpose other than for informational. Prior to making a decision to participate or refrain from participating in the Offering or to conduct any trading activities with the Bonds on Nasdaq Vilnius the prospective Investors should read this document and relevant Final Terms. In making an investment decision, prospective Investors must rely upon their own examination of the Company and the terms of this document, including the risks involved, also the relevant Final Terms. It is forbidden to copy, reproduce (other than for private and non-commercial use) or disseminate this Prospectus or any Final Terms without express written permission from the Company.

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III. RISK FACTORS

The following is a disclosure of certain risk factors that may affect the Issuer's ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the risks associated with the Bonds are described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to the Issuer or which it may not currently be able to anticipate. Prospective Investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Before deciding to purchase/subscribe the Bonds, Investors should carefully review and consider the following risk factors and other information contained in this Prospectus. Should one or more of the risks described below materialise, this may have a material adverse effect on the business, prospects, shareholders' equity, net assets, financial position and financial performance of the Issuer. Moreover, if any of these risks occur, the market value of the Bonds and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Bonds may decrease, in which case the Bondholders could lose all or part of their investments. Additional risks and uncertainties, which are not currently known to the Issuer or which the Issuer currently believes are immaterial, could likewise impair the business operations of the Issuer and have a material adverse effect on their cashflows, financial performance and financial condition. The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the cash flows, financial performance and financial condition of the Issuer.

This part provides information on the risk factors related to the Issuer and the offered Bonds. This information should not be considered as comprehensive description covering all possible aspects of risk factors related with the Issuer and the Bonds. The following risks might have adverse effect on the Issuer and on extreme circumstances might cause insolvency of the Issuer and breach in performing obligations arising under the Bonds.

Please note that the risk factors are presented in categories and where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor. The risk factors in a category are presented considering the materiality and probability of occurrence of a particular risk.

3.1. Risks related to the Issuer

3.1.1. Financial risks

Construction cost and Project's success risk

The completion of the Project initially was projected by the end of 2023, but changed Project's development scenario (from hotel / school complex to educational with integrated hospitality services complex) caused the postponement of the construction works and the constructions' schedule had to be revised. Further delay in completion of the Project is expected due to termination of two main material contracts in relation to the lease and sub-lease of the Project's premises by the Issuer as lessor and UAB "Orkelos valdymas" as sublessor. Because of these recent events, the Issuer had to revise the Project's development scenario and construction schedule.

It is anticipated that under the revised Project's development scenario, educational facilities (as kindergarten and (or) primary and (or) secondary schools), office and retail facilities, including a couple of restaurants and coffee stores, underground parking will operate in the premises of the Project. Under the revised construction schedule the completion of the Project is projected around the end of 2024. However, considering that the Project's premises will be subject to additional design works that might affect the final timeline of the construction of the Project, additional delays in the Project's completion might be expected. Moreover, as the Issuer is switching to multitenant structure, the Issuer's success in finding tenants and fit out of the Project's premises for separate tenants might also have an impact on the final date of completion of the whole Project and generation of expected return for the Issuer.

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Even though the Project's development scenario has changed several times, by November 2023 the Project is 69% completed under initially estimated costs' structure. The Issuer is expecting to complete the construction of the Project without material deviations from the initially estimated costs' structure considering that most of the major construction works are already completed, several initial construction solutions will be abandoned due to the changed Project's development scenario and new solutions will be adapted to the new scenario instead. Additionally, it is important to note that fit-out of the Project's premises for individual tenants will not require additional (above the budgeted) Issuer's financial contributions as each tenant will be responsible for the individual adaptation of the premises to its needs.

Nevertheless, please take into account that as the situation in global markets and building materials supply chain is changing frequently due to Russian – Ukraine war and related economic and geopolitical situation in the region, including related instability in energy market (even though that the Project is being built as energy efficient and therefore, the Project is more resistant to fluctuations in energy prices), also because of existing uncertainty regarding completion of the Project by the end of 2024 as described above, these factors pose a risk of unexpected increase in construction costs or inability to secure construction material required to complete the Project that may reduce the overall profitability of the Project, delay the completion of the Project and as a result adversely affect the Issuer's activities, financial situation, and ability to redeem the Bonds.

Moreover, the Company cannot provide any assurance that there will not be any disputes with its suppliers or that it will be able to maintain business relationships with its existing suppliers. Any disruption to the Company's supply chain as a result of an issue with a supplier, or any damage to such supplier's integrity could cause the Company significant time and expense in remediation of any deficiencies and could impact its reputation, which could adversely affect its reputation and profitability.

Nevertheless, the Issuer's and the Management Company's employees are monitoring the development of the Project, overall market conditions and financial condition of invoked suppliers and plan various scenarios to mitigate risk of unexpected increase in construction costs or inability to secure construction material required to complete the Project.

Economic environment and insolvency risk

The Issuer's activities and results depend on the economic processes in Lithuania and internationally. At the moment economies in the region and globally are disbalanced due to ongoing Ukraine-Russia war, sharp growth of interest rates, energy prices volatility and prolonged post Covid-19 recovery. Lithuania is experiencing unprecedented inflation rates, in this way reducing overall investment market attractiveness and in turn limiting the economic outlook. It can be assumed that these factors contribute to currently experienced slowdown of the real estate market in Lithuania.

Even if currently there is no material economic downturn domestically, in the event of its occurrence, the demand for the Issuer's services may decrease, the risk of insolvency of the Company's tenants and/or other contractors may increase, which may have a negative impact on the implementation and results of the Issuer's business strategy and the Project may not generate expected positive returns. Please note that the Issuer is expecting to start receiving rental income once the Project is completed (currently, the completion is scheduled around the end of 2024) and the handover deeds are signed with tenants. In a multi-tenant scenario, the initial rental income might deviate significantly from the expectations set by a single-tenant lease structure that was initially implemented by the Issuer. Despite the potential for higher revenues from a multipurpose property, it is important to acknowledge the low likelihood of achieving full occupancy at the outset. Consequently, the income generated in the initial year or so may fall below anticipated levels.

These factors individually, or in combination might cause the insolvency of the Issuer. The Issuer is subject to the Law on Insolvency on Legal Entities of the Republic of Lithuania and Issuer's insolvency may affect the Investors' ability to recover their investments.

Negative equity and business continuity risk

According to the BAS Audited Financial Statements for the year ended 31 December 2022, the Issuer had a negative equity amounting to -EUR 875,831 during the financial year 2022, i.e. the Issuer's liabilities exceeded the amount of the Issuer's equity. The negative equity situation has been rectified in October 2023 by issuing and subscribing by the Fund 50 new Shares of the Issuer with EUR 25 par value each.

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The subscription price of the new Shares was EUR 3,500,000, which has been paid by the Fund by setting of the obligations for partial redemption of bonds issued under the bond subscription agreement of 15 November 2018 (disclosed under Section 4.14 *Material Contracts*), full redemption of the bond subscription agreements of 9 August 2023, 25 August 2023, 7 September 2023, 14 September 2023 and payment of subscription price for the new Shares. As of 16 October 2023, the Company's equity is positive and reaches EUR 1,118,716. Although solved, such change is not reflected in the available financial statements of the Issuer and has not been audited yet. Moreover, there is a risk that negative equity situation may repeat or reemerge until the day the Project starts generating income. The described situation may negatively impact the Issuer's ability to get financing/refinancing for the Project's development and/or to redeem the Bonds in a timely manner.

Additionally, the auditor's report in respect to the BAS Audited Financial Statements for the year ended 31 December 2022 expresses a concern on the ability of the Company to ensure its business continuity. The ground for such auditor's concern was negative equity situation and the Company's ability to ensure needed financing to complete the Project. If the Company does not succeed in raising the required funds through the issue of the Bonds under this Prospectus and/or does not receive scheduled contributions by the sole shareholder, there is a risk that the business continuity of the Company may not be ensured.

Liquidity risk

Liquidity risk is the risk that the Issuer is unable to maintain a sufficient reserve of cash and other liquid financial assets that can be used to meet its payment obligations as they fall due and to redeem the Bonds. The availability of liquidity for business activities and the ability to access long-term financing are necessary to enable the Issuer to meet its payment obligations in cash, whether scheduled or unscheduled. The Fund is ensuring the needed capital availability to the Issuer. Although the Issuer and the Fund monitors its liquidity position and follows procedures to manage liquidity risk, a reduction in the Issuer's or the Fund's liquidity position could have a material adverse effect on the Issuer's and the Fund's business, financial condition, results of operations or prospects, as well as ability to redeem the Bonds at their maturity.

3.1.2. Business activities and industry risks

Multiple tenants' risk and risk of finding suitable tenants

The success of the Project will depend on the success of its tenants. The Project's cashflow risk will be diversified between multiple tenants. Under such structure, having multiple solvent tenants should minimize the risk or impact on the Issuer's cash flow if one tenant's financial situation changes significantly. It shall be noted that although a multi-tenant property may only periodically achieve 100% occupancy (though it is a primary goal of the Issuer), the risk of having close to zero occupancy is almost non-existent as could be the case when a single-tenant property experiences vacancy.

Despite the benefits of implementing a multitenant structure, there are several risks associated with it. First of all, the Issuer is in the beginning of the process of finding new tenants for the Project's premises and currently no lease agreements are concluded by the Issuer. In the face of a potential market slowdown where vacancies in commercial buildings are increasing and competitive pressures are driving lower prices, there is a significant risk that the Issuer will not succeed in finding suitable tenants within a short period of time and therefore, a major vacancy might be experienced that in turn will result in less than expected income from lease of the Project's premises. Secondly, to overcome competitors and to attract new tenants, the Issuer might need to offer significant discounts or other contractual benefits for tenants to minimize vacancies and ensure cash flow. If these risks materialize, they could significantly affect the Issuer's financial condition, results of operation of the Project, as well as ability to redeem the Bonds at their maturity.

Nevertheless, the Issuer's and the Management Company's employees are invoking all possible resources to attract new tenants on terms and timeline acceptable to the Issuer.

Education market risk

A part of the Project is dedicated for educational services where one or several educational institutions will operate a kindergarten and/or primary, and/or secondary schools.

The demand for educational services can be influenced by various factors, including economic conditions, changes in population demographics, and regulatory developments. A decline in student enrolment or

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changes in educational preferences could impact the financial performance of the educational institution leasing Project's space, thereby posing a risk that the Issuer's tenant will face financial difficulties in paying rent to the Issuer and the Issuer will not generate expected return.

Office market risk

Until now, the office market has shown relative stability. However, it is noteworthy that the median leased office space is on a declining trend. The decrease in the median leased office space suggests a potential shift in market dynamics, which can be attributed to several known reasons. Firstly, there are existing vacancies in the market, indicating a surplus of available office spaces. Secondly, geopolitical factors have contributed to a slowdown in decision-making processes among tenants, leading to a more cautious approach in committing to new leases. Lastly, the economic outlook has introduced uncertainties that are influencing tenant behaviour, resulting in a tendency to shorten lease periods and reduce the leased area as a risk-mitigation strategy. These factors collectively contribute to the observed decline in the median leased office space, highlighting the complexity of the current market conditions and the challenges in securing full occupancy for the project within the expected timeframe. Investors should carefully consider these factors when assessing the potential impact on the project's leasing strategy and overall performance, as these conditions could significantly influence the project's success and the issuer's ability to redeem bonds.

Real estate market risk

Potential negative development of Lithuanian real estate market could have a negative impact on both real estate market prices and market transaction volume. At the date of this Prospectus increase in geopolitical risks caused by the Russia's war in Ukraine is considered as a one factor which could have a negative effect on the Lithuanian real estate market. Decreases in prices and volumes could have an adverse effect on the Company's financial position and could degrade the value and liquidity of real estate mortgaged in favour of the Bondholders as a Collateral which in turn could have adverse effect on the Bondholders' ability to fully satisfy their claims against the Issuer under the Bonds.

Counterparty risk

Counterparty risk is inherent to all business activities the Company is engaged in. In case of the Issuer the most significant counterparty risk stems from the Issuer's business partners engaged in the development and construction of the Project and the tenant of the Project. Realisation of the counterparty risk may result in financial losses. Default of the Company's counterparty may affect the completion of the Company's commenced investment projects, the quality of services provided by the Company or harm the Company's, Fund's and Management Company's reputation. Although the Company and the Management Company monitor the counterparty risk, the occurrence of any of the mentioned counterparty risks may have an adverse impact on the Company's business and financial position.

3.1.3. Legal risks

Risk of legal disputes

Even though the Issuer is not involved in any legal proceedings at the moment, it is possible that the Issuer may be involved in legal disputes due to its activities or due to termination of two main material contracts in relation to the lease and sub-lease of the Project's premises by the Issuer as lessor and UAB "Orkelos valdymas" as sublessor (as plaintiff or defendant or third party) in the future, the outcome and the costs of which cannot be predicted in advance. Moreover, the issuer is developing the Project within historical central area of the Vilnius, which leads to high public interest and regulatory scrutiny. As the Project is in the historical site, there are multiple local communities and stakeholders, which have various expectations for the Project being developed, what leads to the moderate legal dispute risk level. The Issuer has already obtained building permits and approvals from authorities and is following all the technical and legal requirements and takes into consideration expectation of local communities. However, in unlikely situation where dispute is resolved in the manner unfavourable to the Issuer, this could adversely affect its operations, financial condition, and reputation as the Issuer may be required to pay damages awarded, including the legal costs of the opponent (the Issuer itself would also incur legal costs). All of this can have an impact on the Issuer's ability to properly perform its obligations to the Bondholders, and on the attractiveness and liquidity of the Bonds.

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3.1.4. Governance and internal control risks

Ownership risk

The Issuer is a company 100% owned by the Fund that is controlled by the Management Company, having prominent expertise, management team, professional staff and resources to outsource professional advisers. The Fund's operational term was extended until June 2025 after which it shall be closed, unless the operational term will be extended for an additional period in accordance with applicable law and internal documents of the Fund. Change in ownership of the Issuer (in case of the closure of the Fund at its maturity or sale of the Issuer's Shares before Fund's maturity) could result in reduction of attractiveness and liquidity of the Bonds, as well as early redemption of Bonds. To mitigate this risk the Change of Control covenant is assumed by the Issuer (please see Section 6.3.1.3 *Change of Control*), breach of which shall be considered as one of the Extraordinary Early Redemption Events.

Management and human resources risk

The Issuer's results largely depend on the Issuer's and Management Company's employees' teams and their decisions, and on the competence and experience of the team members.

The Management Company's success and its ability to manage growth initiatives depend on qualified executives and employees, certain executive officers of the Issuer and Management Company, and employees with special expertise in the development, financing, engineering, construction, operation and maintenance of projects. Given their expertise in the industry, their knowledge of the Management Company's business processes and their relationships with the Management Company's local partners, the loss of the services of one or more of these individuals could have a material adverse effect on the Management company's business, financial condition, results of operations or prospects.

Additionally, from time to time, executives, and other employees with technical or industry expertise may leave the Management Company. The Management Company's failure to promptly appoint qualified and effective successors for such individuals or inability to effectively manage temporary gaps in expertise or other disruption created by such departures, could have a material adverse effect on the Issuer and Management Company's business, financial condition, results of operations or prospects.

3.2. Risk factors related to the Bonds

3.2.1. General Bonds' risks

Inflation risk

Inflation reduces the purchasing power of a Bond's future interest and Nominal Value. Inflation may lead to higher interest rates which could negatively affect the Bond price in the secondary market. In addition to that, at the time of this Prospectus high inflation is viewed globally as one of the main macroeconomic factors posing significant risk to global economic growth and consequentially to the value of both equity and debt securities.

Interest rate risk

The Bonds bear interest on their outstanding Nominal Value at a fixed interest rate. While the interest rate of the Bond is fixed until redemption, the prevailing capital market rates change on a daily basis. At the date of this Prospectus, the prevailing capital market rates are higher than the fixed interest rate for the Bonds. Therefore, considering the high competition in the capital markets it might be difficult for the Issuer to attract required external financing to complete the Project. If the market interest rates continue to increase, the market value of the Bonds may fall, the potential Investors may lose interest in the Bonds and it might be difficult to sell the Bonds in a secondary market.

Refinancing risk

The Issuer after completion of the constructions may be required to refinance certain or all of its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance its debt is dependent on the conditions of the debt capital markets and its financial condition at such time. In unfavourable debt capital market situation, the Issuer's access to financing sources at a particular time may not be available on

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favourable terms, or at all. The Issuer's inability to refinance its debt obligations on favourable terms, or at all, could have a negative impact on the Issuer's operations, financial condition, earnings and on the Bondholders' recovery under the Bonds. The Issuer is actively monitoring debt capital market conditions and analysing feasibility of the alternative refinancing options, including selling the Project after construction will be finished. The Issuer plans as well to use bank loan as the main source for the redemption of the Bonds. The Issuer's preventative actions and/or anticipated plans on refinancing of the Bonds described above does not guarantee that the Issuer will be able to redeem the Bonds as anticipated on the day of the Prospectus and that Bondholders will recover their planned investments.

Credit and default risk

Bondholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Bonds. The worse the creditworthiness of the Issuer, the higher the risk of loss. A materialization of the credit risk may result in partial or total failure of the Issuer to make interest and/or redemption payments.

The Issuer is not guaranteeing that no default under this Prospectus will occur until the Final Maturity Date of the Bonds, therefore the Investors shall independently assess the Issuer's creditworthiness before investing into the Bonds.

Early redemption risk

According to the terms of the Offering established in this Prospectus, the Bonds may be redeemed prematurely on the initiative of the Issuer. If the early redemption right is exercised by the Issuer, the rate of return from an investment into the Bonds may be lower than initially anticipated by the Investor.

Moreover, there is no guarantee by the Issuer that Extraordinary Early Redemption Event (including the Change of Control in general whether due to the end of the Fund or sale of Issuer's Shares) will not occur, therefore in case of the occurrence of the Extraordinary Early Redemption Event the Bonds will have to be redeemed by the Issuer in accordance with the procedure established in this Prospectus and the rate of return from an investment into the Bonds may be lower than initially anticipated by the Investor.

Transaction costs/charges

No expenses or taxes will be charged to the Investors by the Issuer in respect to the Offering and Admission of the Bonds. However, when the Bonds are purchased/subscribed or sold, several types of incidental costs are incurred in addition to the purchase/issue or sale price of the Bonds. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Bondholders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties and/or there might be other charges that could not be foreseen by the Issuer and disclosed in this Prospectus.

Moreover, changes to the laws and legal acts applicable in the Republic of Lithuania and/or the Bondholder's domicile, or the implementation of any new laws or other legal acts may cause additional expenses or taxes for the Bondholder and/or reduce the return on investment for the Bondholder.

3.2.2. Offering and Admission to trading on the Bond List of Nasdaq related risks

Liquidity risk

The Bonds of the first and second parts of the Issue in the total amount of EUR 20,951,000 are already admitted to trading on the Bond List of Nasdaq and the public market for the Bonds of the Issuer is developing. The Bonds to be issued under this Prospectus in Tranches will also be applied for Admission to trading on the Bond List of Nasdaq in accordance with the Prospectus and relevant Final Terms. However, neither the Issuer nor the Lead Manager can guarantee that the secondary market for the Bonds of the Issuer will develop (or will be maintained) as an active market, especially taking into account that the Bond List of Nasdaq, compared to other international debt securities markets, is characterised by relatively low liquidity and limited secondary trading volume. The Investors may find the Bonds' trading statistics on the Nasdaq website at www.nasdaqbaltic.com. The historical trading volumes of the already admitted Bonds on the Bond List of Nasdaq for the years 2022 and 2023 (until the date of the Prospectus) are relatively low, therefore at the date of this Prospectus the market for the Bonds can be considered as thin.

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Moreover, the liquidity and the market prices of the Bonds can be expected to vary with changes in market and economic conditions, the financial position and prospects of the Issuer and many other factors that generally influence the market prices of securities. As a result, the Bondholders might bear a loss due to not being able to sell the Bond or having to sell them at an unfavourable price.

Bonds may not be appropriate to some Investors

Bonds may be attractive for Investors who desire a source of regular income or are looking to diversify their portfolio of investment assets. Nevertheless, the Bonds may not be an appropriate investment to some Investors. Each potential Investor into the Bonds should assess appropriateness of the investment taking into account all relevant personal circumstances, reserve of sufficient financial resources and liquidity to bear all the risks of investing in the Bonds or holding the Bonds to maturity, including losing all or a substantial amount of the capital invested. The assessment of appropriateness is one of the key requirements for Investor protection. The potential Investor shall be aware, that the Issuer itself is not obliged and will not carry out the assessment whether the Bonds are an appropriate financial product for the Investor (although such assessment(s) will be performed by the Lead Manager/Manager(s) in accordance with their internal rules, in any case such assessment(s) may have a different scope and produce a different result). Prospective Investor should not invest into the Bonds unless the Investor has sufficient personal experience himself/herself or with the advice of professional financial advisors, can evaluate the impact on the value of the Bonds upon changes in market and economic conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential Investor's overall investment portfolio.

3.2.3. Collateral related risks

Risk of insufficient value of the Collateral

The Issue is secured by a first ranking mortgage over the Collateral under the Collateral Agreement. Apart from the Collateral, there are no other securities of third parties securing the whole Issue, including the Bonds issued under this Prospectus. Collateral consists of real estate property currently developed and constructed by the Issuer as a part of the Project. As a result, the value of the Collateral directly depends on the construction progress and successful completion of the Project and in case of Issuer's default before the end of construction stage the value of the Collateral could be not high enough to cover Issuer's obligations to the Bondholders. In addition to that, in case of negative development of Lithuanian real estate market and resulting significant drop in the value of the Collateral even after completion of the Project, the value of Collateral could be not high enough that all claims of the Bondholders could be satisfied.

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IV. INFORMATION ABOUT THE ISSUER

4.1. Statutory Auditors

The BAS Audited Financial Statements for the years ended 31 December 2021 and 31 December 2022 were prepared in accordance with the BAS and audited by UAB “KPMG Baltics”, legal entity code 111494971, having its registered address at Lvovo st. 101, LT-08104 Vilnius, the Republic of Lithuania. The audit for the years 2021 and 2022 was executed by auditor Mrs. Ieva Voverenė, auditor’s licence No. 000329.

4.2. Information about the Issuer

Table 1: Key information about the Issuer

Legal and commercial name of the Issuer	UAB “Orkela”
Legal form	Private limited liability company
Registered address	Jogailos st. 4, Vilnius, the Republic of Lithuania
Country of registration	Republic of Lithuania
LEI	9845002F4D0B3BB3CA85
Legal entity code	304099538
Legislation under which it operates	Law on Companies, Civil Code and other relevant laws of the Republic of Lithuania
Date of incorporation	24 September 2015
Operating period	Indefinite
Phone number	+370 5 261 9470
E-mail	info@lordslb.lt
Website	www.lordslb.lt and in particular https://lordslb.lt/orkela_bonds/ where all Bonds related information and documents are uploaded or will be uploaded by the Issuer. The information on the website does not form part of the Prospectus, unless certain of this information is incorporated by reference into the Prospectus (please see Section 2.5 <i>Information Incorporated by Reference</i>)

Source: the Company

The purpose for which the Issuer was established is the development of the real estate Project, as described in Section 4.3 *Business Overview and Principal Activities* and Section V *Project Description* of this Prospectus.

The sole shareholder of the Issuer is the Fund – a close-end real estate investment fund intended for informed investors. The Fund specializes in the development of commercial real estate in the Baltic States. It is managed by one of the largest investment management companies in the Republic of Lithuania – UAB “Lords LB Asset Management. More details about the Issuer’s and Management Company’s organizational structure are available under Section 4.7 *Organisational Structure of the Issuer*.

There have been no recent events which would be to a material extent relevant to an evaluation of Issuer’s solvency. However, please note that on 16 November 2023 the Issuer has terminated the lease agreement concerning lease of the Project premises concluded with UAB “Orkelos valdymas” on 2 January 2023. The Issuer’s decision to terminate the lease agreement was based on a terminated sub-lease agreement concerning sub-lease of the Project premises concluded between UAB “Orkelos valdymas” and the sub-tenant on 2 January 2023. Because of these events and considering the current real estate market situation in Vilnius, the capital of the Republic of Lithuania, the Issuer has decided to change the Project’s

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development scenario from educational with integrated hospitality services type of premises to educational and office type of premises. Therefore, the Issuer is already looking for new tenants for the Project premises and is expecting that new lease agreements will be signed in the near future.

According to the BAS Audited Financial Statements for the year ended 31 December 2022, the Issuer had a negative equity amounting to -EUR 875,831 during the financial year 2022, i.e. the Issuer's liabilities exceeded the amount of the Issuer's equity. The negative equity situation has been rectified in October 2023 by issuing and subscribing by the Fund 50 new Shares of the Issuer with EUR 25 par value each. The subscription price of the new Shares was EUR 3,500,000, which has been paid by the Fund by setting of the obligations for partial redemption of bonds issued under the Bond subscription agreement of 15 November 2018 (disclosed under Section 4.14 *Material Contracts*), full redemption of the bond subscription agreements of 9 August 2023, 25 August 2023, 7 September 2023, 14 September 2023 and payment of subscription price for the new Shares. As of 16 October 2023, the Company's equity is positive and reaches EUR 1,118,716, although is not reflected in the available financial statements.

More financial data about the Issuer is provided in Sections 4.10 *Financial Information Concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses* and 4.12 *Significant Change in the Issuer's Financial Position*.

The Issuer has not been assigned with the credit rating nor such a process have been initiated.

Information on the Issuer's borrowing and funding structure can be found in Section 4.10 *Financial Information Concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses*.

4.3. Business Overview and Principal Activities

The Issuer is a real estate development company established in 2015 and owned by the Fund. The Issuer being a real estate development company engages in the following activities: project initiation (concept and initial set of goals), market research and business analysis, requirements, estimates, planning, procurement, architecture and design, project implementation and construction, testing, market launch and closing sale/rent of the premises and buildings.

The purpose for which the Issuer was established is the development of the real estate Project which does not generate any income as of the date of this Prospectus.

Since 8 March 2021 when the construction permit was granted, the Issuer is constructing a real estate complex in the centre of Vilnius at Vasario 16-osios g. 1. It is anticipated that educational facilities (as kindergarten and/or primary, and/or secondary schools), office and retail facilities, as well as a couple of restaurants and coffee stores, underground parking will operate in the premises of the Project. Therefore, the complex preliminary will consist of three parts: historical part with newly built connections (Gross floor area: 6,290 m²), newly built buildings (Gross floor area: 11,792 m²) and parking space with technical facilities (Gross floor area: 5,820 m²). The completion of the Project is estimated around the end of 2024. The estimated value of the Project at its completion shall amount up to EUR 76,000,000.

In the historical part of the complex the variety of the premises size can be offered. Starting from 300 sqm. for the private standalone office ending the spectacular authentic 2,400 sqm. Building facing the Neris river and Central business district of Vilnius. The newly built connections are properly designed for the social infrastructure as library, cloakroom or restaurant with outstanding views.

The newly constructed building consisting of two different blocks can provide the space for both – big or small tenants. With the flexible layout newly constructed buildings are mixed with historical sense of the complex as well as all advantages of new constructions.

Additionally, income generating unit is parking which will be situated underground and will have 240 parking spaces, it will be operated by the leading parking company in the Republic of Lithuania – Unipark.

For more details about the Project please see Section V *Project Description*.

The Issuer performs no other principal activities and provides no other services, neither creates new products.

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4.4. Trend Information

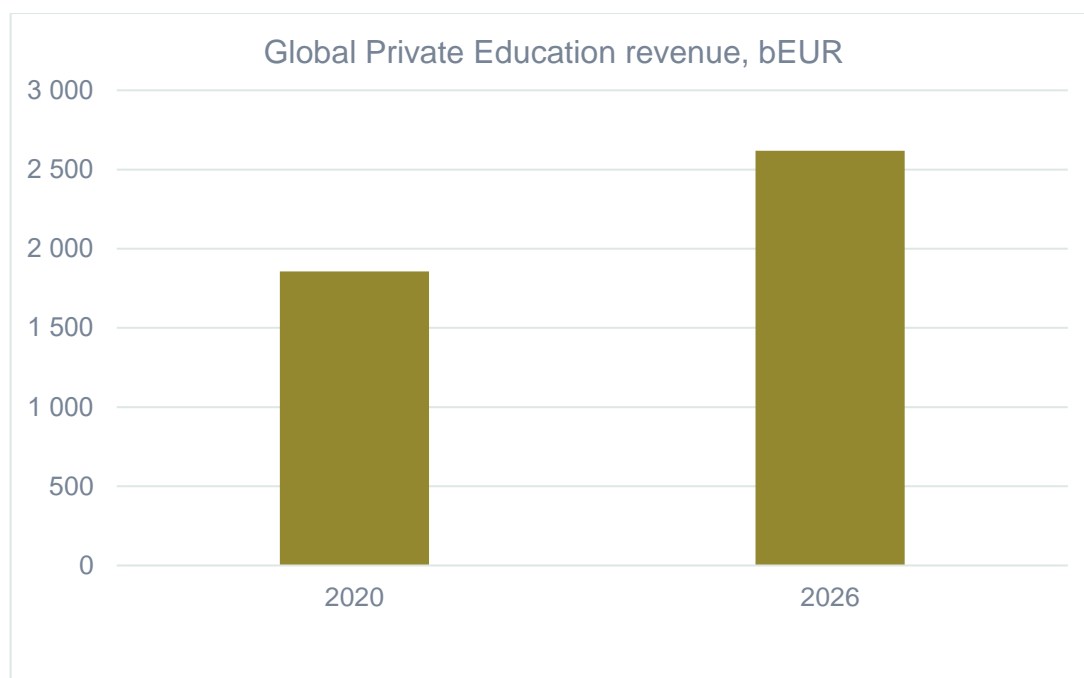
The real estate Project that is being developed by the Issuer will consist of an educational and office complex, therefore the trends in private education market and office market have an important role on the financial performance and risk of Issuer's activities.

Global Private Education segment

In today's world, with a steady increase in understanding of the need for primary training among parents, educational institutions and investors, there is a great need for high-quality schooling to boost private schools' tuition fees.

However, the education services on the market are insufficient. One of the main obstacles for the education sector is the small availability and lack of funding available for the students.

Several steps were taken in the last few years to increase quality in education, such as the establishment of quality insurance bodies and promoting technology-driven education, among others, which combined to demonstrate changes in education quality.



Source: Facts and Factors Research

With the evolving technology environment, companies are continually searching for people who will be at the forefront of this transition and quickly respond to those changes.

The shortage of qualified employees has been one of the biggest obstacles for companies, leading individuals to advanced high school classes that can be beneficial to students on a long-term basis.

Lithuanian Private Education sector

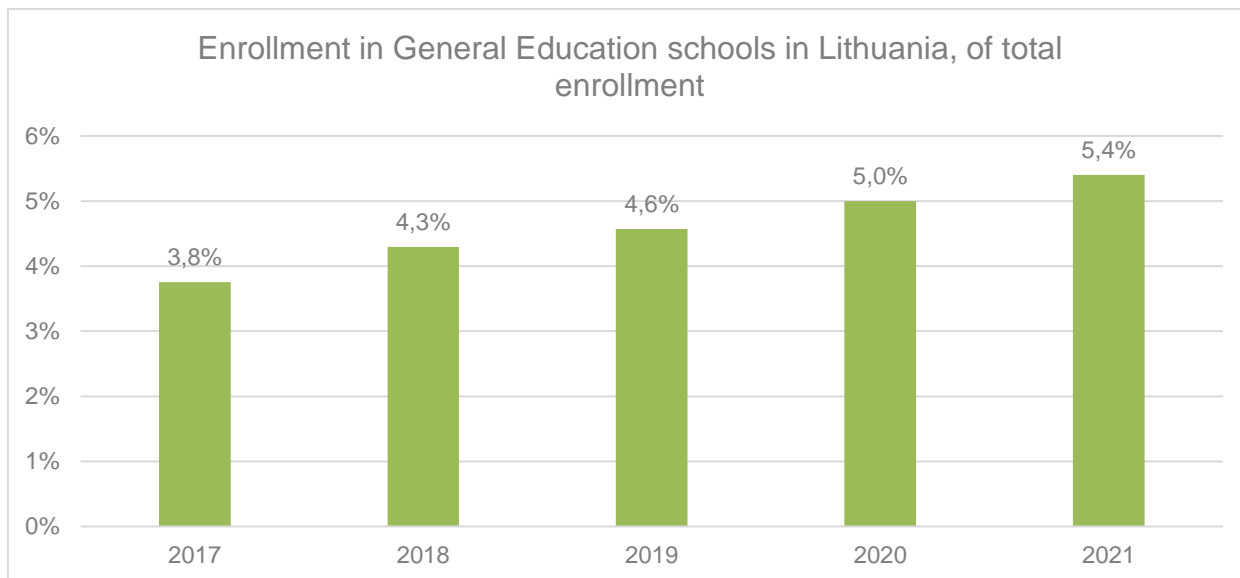
The sector of private (non-state) education is not large in Lithuania but it has been gradually expanding in recent years.

In 2015, there were 40 private schools in Lithuania, at the end of 2022 there were 89, which means 49 new non-state educational institutions were established in the last seven years. In addition, a number of schools have grown from primary schools to junior high schools or primary high schools, and from junior high schools to gymnasiums.

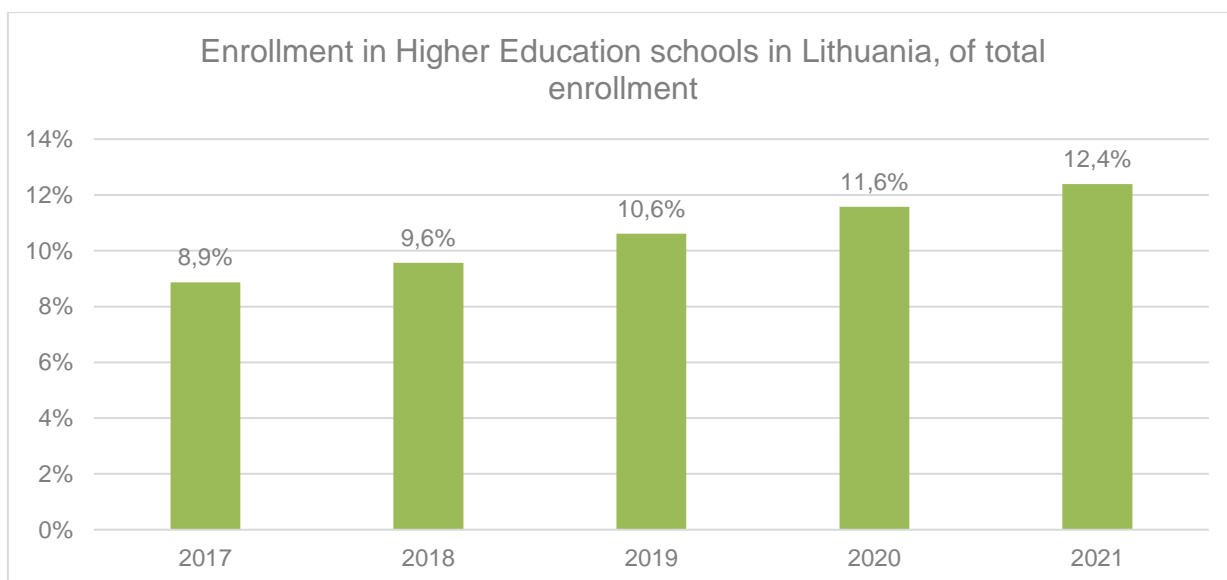
Taking into account the latest publicly available statistics data, from 2017 to 2022 the enrollment in private

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general education schools have increased by more than 7% each year. While enrollment in private higher education during the same period have risen by almost 4% each year.



Source: *Statistic Lithuania*



Source: *Statistic Lithuania*

In the alternative scenario of the Project development the building will be transferred to the office premises providing Premium class office space. Therefore the trends of the commercial real estate market may have an important impact to the success of the Project.

Vilnius office market trends

The supply of office space in Vilnius increased by nearly 41,000 sqm in Q1 2023. The list of completed projects included the B+ class Kintu11, with 2,500 sqm, the second phase of the B+ class Cyber City, with 28,400 sqm, and the B+ class S28 business centre with 10,000 sqm. The latter two added modern office space in the uptown district. The overall market grew 10.7% during H1 of 2023 to 1.07 million sqm. The remaining 2023 projects will be opened at year-end or may be delayed a bit. Many recent projects were late and this trend may well continue. Pre-leasing at the projects reached nearly 60%.

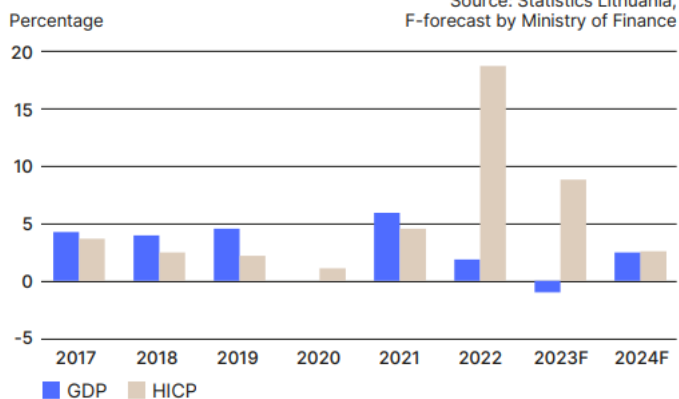
Take-up slower to only about 60% of the historical level in H1 of 2023. The full-year projection thus must be reduced to 80,000 sqm. It will be difficult to reach even that level, though, as tenants are assessing

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relocation plans more cautiously, extensively, and responsibly. Early in the year there was more activity in the B class segment, but in Q2 more lease transactions were concluded for A class properties.

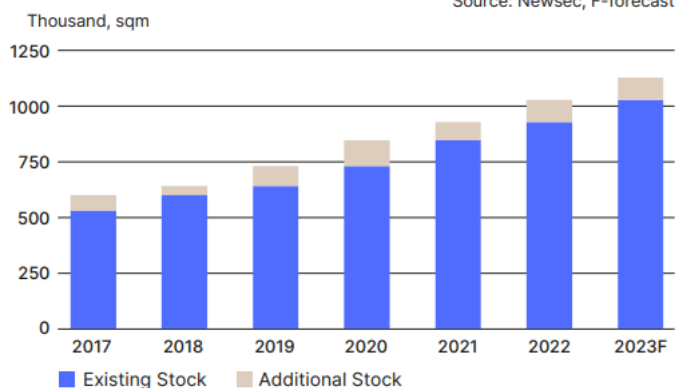
Few major deals took place in H1 of 2023. The largest lease transactions were in the central business district. Medicinos Bankas, EPAM systems, Baltic Amadeus, Infes and others all made deals of 900 sqm or more. Some deals involved providers of financial, consulting, and transportation services. Others involved IT, technology, game industry, fintech, and logistics companies seeking better offices for their employees. Decisions on office leases are generally being put off until the economic environment stabilizes.

Macro Indicators of Lithuania

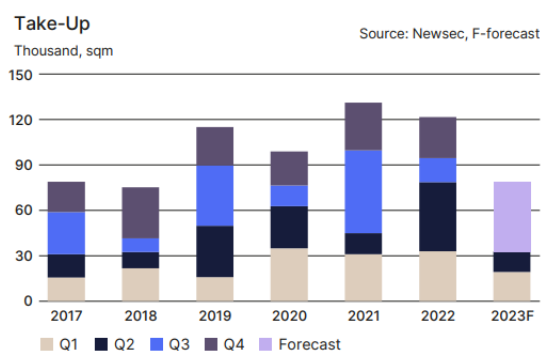


H1 2023 stood out for increased activity both at construction sites and in project planning. Among the biggest projects of the future are the HERO and BS Central business centres, which are already in full swing. They will add new multifunctional or business-only spaces within the central business district or on its outskirts.

Office Stock



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4.5. Profit Forecasts or Estimates

The Issuer is not providing financial forecasts or estimates.

4.6. Management of the Issuer

The Company has no Supervisory Board or Management Board, and its General Manager is Mrs. Anastasija Pocienė.

General Manager is in charge of daily management of the Company and has authority to represent the Company. A joint representation rule in the Company under which the General Manager represents the Company together with a procurist is established in the Articles of Association of the Company.

More detailed information about the competences of the General Manager of the Company may be found in the Articles of Association which are incorporated by reference into this Prospectus (please see Section 2.5 *Information Incorporated by Reference*).

The General Manager does not have any conflict of interest in respect to the Issuer. More information about the General Manager of the Company is provided in Section 4.7.1 *Management of the Management Company*.

There are no conflicting obligations between the General Manager and the Issuer.

4.7. Organizational Structure of the Issuer

The Issuer belongs to the Fund, which is a development fund that invests in development of real estate projects, established in 2016 for a 5-year term, in 2022 extended for additional 2 years, in 2023 extended for additional 1 year and managed by one of the largest investment management companies in the Republic of Lithuania – UAB “Lords LB Asset Management”. Although the Fund is closed-ended, the Issuer will continue its operation even after the closure of the Fund; the change in the shareholder structure of the Issuer is therefore inevitable.

The brand “Lords LB” is one of the most well-known commercial real estate brands in the Republic of Lithuania. The history of the Management Company, focusing today mostly on real estate and private equity strategies, dates back 14 years.

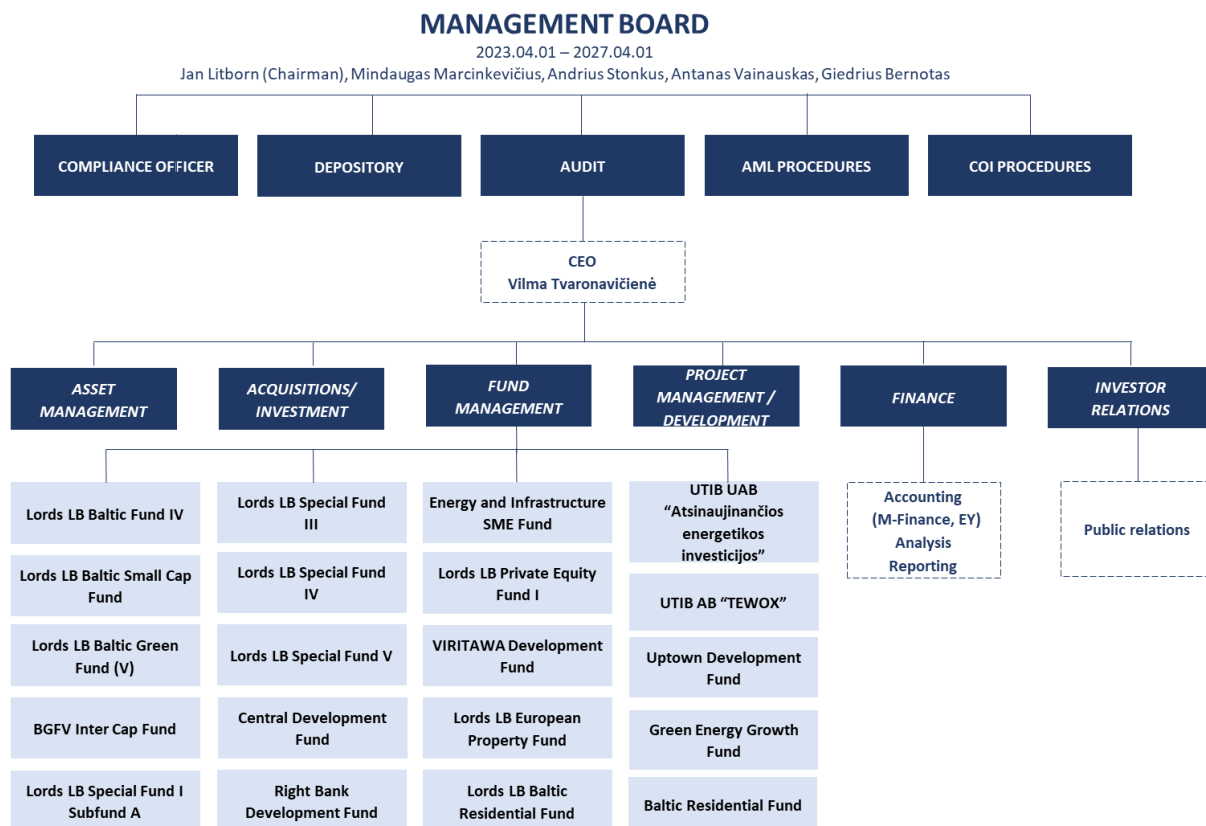
UAB “Lords LB Asset Management” is licensed and supervised by the Bank of Lithuania. The Management Company is authorized to manage real estate and private equity collective investment undertakings (license), collective investment undertakings established in accordance with the Law on Collective Investment Undertakings of the Republic of Lithuania for Informed Investors (license), collective investment undertakings for professional investors (license).

The Management Company currently manages these collective investment undertakings: 15 real estate funds, 1 private capital fund, 1 energy, 1 energy and infrastructure fund and 2 investment companies. The total value of assets managed by the collective investment undertakings reached more than EUR 943,5 million at the end of June 2023.

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The Management Company’s organization structure, legal structure of the Fund and management team of the Management Company are presented in figures below. For the avoidance of doubt, the Figure 3 representing the management team of the Management Company is provided in order to create a full picture of the professionals contributing to the success of the Project. The Issuer strongly relies on the experience and competence of these persons both individually and jointly when developing the Project and as prescribed in Section III *Risk Factors* the loss of Management Company’s team members, their possible employment with the Issuer’s competitors, and the inability to attract other qualified professionals may have a material adverse effect on the Issuer’s management, operations, results and financial condition.

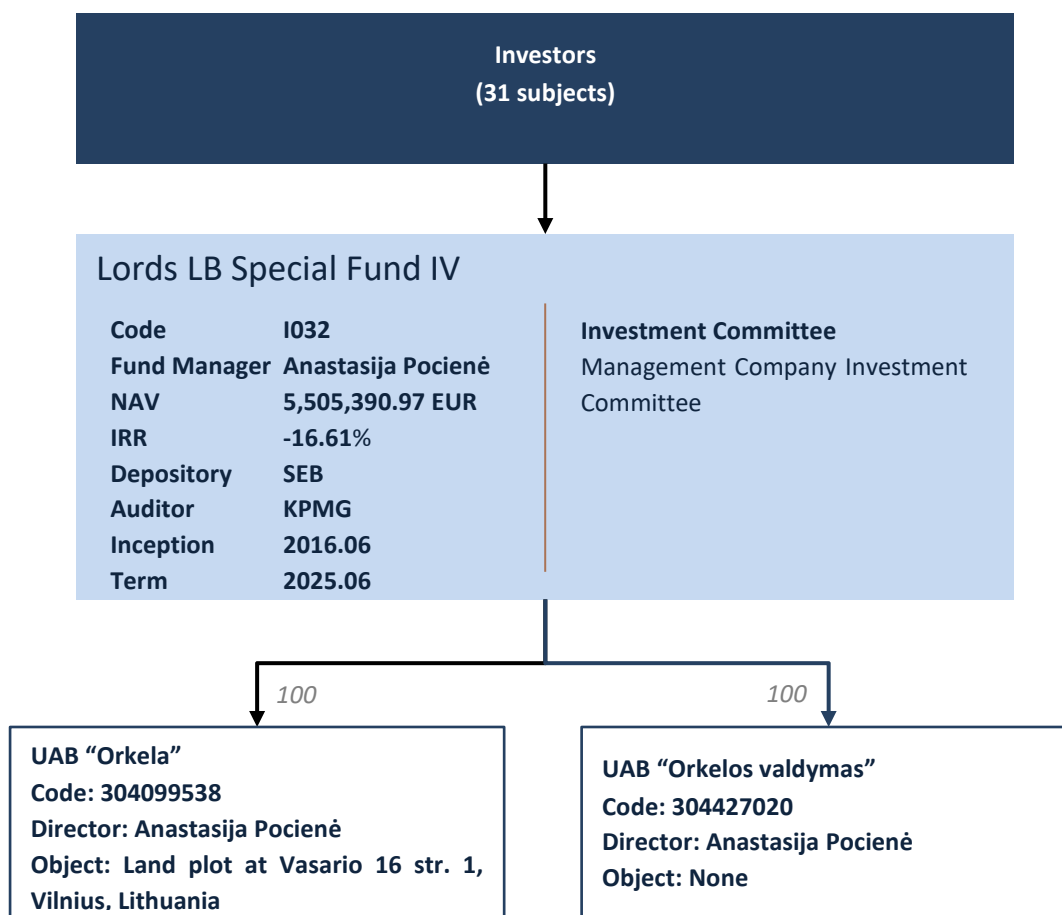
Figure 1: Organizational Structure of the Management Company



Source: the Company

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Figure 2: Legal Structure of the Fund



Source: the Company

Figure 3: Management Team of the Management Company

	VILMA TVARONAVIČIENĖ	KIRILAS KUNDUŠAS	RASA BARTUSEVIČIENĖ	JELENA ŠAMENKO	GIEDRIUS ŽILINSKAS	EFIM HITERER	
Position	CEO	CFO	Investor relations manager	Investor relations manager	Chief Risk Officer	Investment Company manager	
Career highlights	Achema group	EY, PWC	Swedbank	Danske Bank	Danske Bank	Colliers International	
	RYTIS ZALOGA	MARIUS ŽEMAITAITIS	MARIUS ŽEMAITIS	ANASTASIJA POCIENĖ	ARTŪRAS ŠILINIS	GIEDRIUS BERNOTAS	
Position	Fund manager Baltic Fund IV, Small Cap Fund	Fund manager Baltic Green Fund V, BGFV Inter Cap Fund	Fund manager Special Fund I Subfund A, Central Development Fund, Right Bank Development Fund	Fund manager Special Fund III, Special Fund IV	Fund manager Private Equity Fund I	Fund manager Special Fund V	Investment company manager Energy and Infrastructure SME Fund
Career highlights	Hanner	Hanner, EY	Newsec, McKinsey & Company	Hanner, SBA group	Kapitalo srutai, Ūkio bankas	Hanner, Lietuvos Energija	Ludwig-Maximilian-University Munich
	GRĖTE BUKAUSKAITĖ						

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Source: the Company

4.7.1. Management of the Management Company

The members of the Management Board of the Management Company:

Andrius Stonkus – member of the Management Board, founder and shareholder of the Management Company

Mr. Stonkus is the founder of the leading real estate advisory and asset management company in the Baltic States Re&Solution, which was later partly acquired by Newsec and became Newsec / Re&Solution.

Mr. Stonkus founded UAB "Lords LB Asset Management" in 2008 where he is responsible for raising funds and acquisitions. Before Re&Solution, during 2001 – 2004, Mr. Stonkus was the Director of real estate investment company Prime Real Estate and held several financial and management positions at Prime Investment. During his career, Mr. Stonkus was managing and participating in real estate transactions totalling EUR one billion.

Mr. Stonkus holds a bachelor's degree in banking from Vilnius University and has taken various courses in finance and analysis.

Mindaugas Marcinkevičius – member of the Management Board, shareholder of the Management Company

Mr. Marcinkevičius has over 21 years of experience in real estate development within Vilniaus prekyba group, the largest business consortium in the Baltics. In the Lords LB Management Company, Mr. Marcinkevičius is responsible for real estate development and project management.

For ten years, he was a Chairman of Akropolis, the largest and most successful shopping centre developer in the Baltics with operations in the Republic of Lithuania, Latvia, Estonia, and Bulgaria. Under Mr. Marcinkevičius' management, Akropolis developed over 250,000 m² of flagship retail and office space, which was recognized as the most valuable commercial real estate asset in the Republic of Lithuania.

Mr. Marcinkevičius holds a master's degree in real estate valuation and management from Vilnius Gediminas Technical University.

Jan Ake Gustaf Litborn – member of the Management Board, Chairman of the Management Board of the Management Company

Mr. Jan Ake Gustaf Litborn is a partner and honorary chairman of Glimstedt Law Firm. Jan Litborn is also founder of the Baltic offices of Glimstedt law firm. He is a member of the Swedish and International Bar Associations, and has been practising law as such since 1982. Jan Litborn has extensive experience representing several of the largest Swedish property and private equity companies, in matters regarding primarily merger and acquisitions, financing, and securitization.

Mr. Litborn has also been involved in several large cross-border transactions. He is a graduate from the University of Stockholm and Stockholm School of Economics.

Antanas Vainauskas – member of the Management Board, shareholder of the Management Company

Mr. Vainauskas is a co-founder of leading oil exploration and production companies in the Republic of Lithuania TAN Oil (indirectly controlled by Tethys Oil) and LL Investicijos, which was later partly acquired by an American multinational energy corporation Chevron. In the Lords LB Management Company Mr. Vainauskas is responsible for energy and infrastructure projects.

Mr. Vainauskas has been a board member of various companies in one of the largest business groups in the Republic of Lithuania, SBA Concern, whose activities concentrate on four business areas – furniture, apparel, business centres and energy.

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Mr. Vainauskas holds master's degree in European Law from Stockholm University and a bachelor's degree with specialization in law from Vilnius University.

Giedrius Bernotas – member of the Management Board of the Management Company

Giedrius Bernotas is an experienced fund manager with a demonstrated history of working in the financial services industry. Mr Bernotas is skilled in real estate, private equity, business development, management, business planning and public-private partnerships.

His prior experience includes Lietuvos Energija and Hanner Company.

In the Management Company, Mr. Bernotas is responsible for managing Lords LB Special Fund V and business development strategy.

Mr. Bernotas holds a bachelor's degree in Economics from the University of Southampton and a master's degree in Finance from University of St. Andrews.

Other Key Executives of the Management Company:

Vilma Tvaronavičienė – CEO of the Management Company

Mrs. Vilma Tvaronavičienė has been a part of UAB "Lords LB Asset Management" since 2011, starting from the investors relations manager position, she became the CEO in 2019. Her role consists of supervision of the Management Company and activities of the funds under management of the Management Company, she contributes to the development of funds investment strategies, establishment and maintaining of the relationships with the investors of the investment funds.

Mrs. Tvaronavičienė holds a degree of mechanical engineering from Kaunas University of Technology, has an international certificate "Foundation Award in Management principles" from Institute of Leadership and Management. Mrs. Tvaronavičienė is also studying at Kaunas University of Technology in master's program "Business management".

Anastasija Pocienė – fund manager in the Management Company

Mrs. Pocienė has fifteen years of experience in real estate funds management, real estate development, property management.

Her prior experience includes Hanner and SBA group companies.

In the Lords LB Management Company, Mrs. Pocienė is responsible for managing Lords LB Special Fund IV and Lords LB Special Fund III.

Mrs. Pocienė holds a bachelor's degree in Communication and Business Administration from the Vilnius University

Kirilas Kundušas – CFO of the Management Company

Mr. Kundušas has more than 13 years of progressive experience in finance and asset management with Lords LB Asset Management, EY.

Mr. Kundušas holds a Magna Cum Laude master's degree in accounting and audit from Vilnius University.

Giedrius Žilinskas – CRO of the Management Company

Mr. Žilinskas has 5 years of experience working with regulatory, risk and compliance change and implementation projects. Before joining the Management Company, Mr. Žilinskas have been working in business advisory filed as a consultant and freelance consultant.

Mr. Žilinskas hold a master 's degree in International business and Management from Groningen university, Netherlands.

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4.7.2. Shares Held by the Management of the Management Company

Information on the Shares held in the Company indirectly by the Management of the Management Company as of the date of this Prospectus is indicated in the Table below (the persons not indicated below do not hold any Shares in the Company, whether directly or indirectly):

Table 3: Shares Held by the Management of the Management Company

<i>Name, surname</i>	<i>Position in the Management Company</i>	<i>Indirectly owned Shares in the Company, %</i>	<i>Clarifying comments</i>
Andrius Stonkus	Member of the Management Board	26,01	Mr. Andrius Stonkus is the sole shareholder of UAB "Aemulus", legal entity code 302578408, registered address at Jogailos st. 9, Vilnius, the Republic of Lithuania that directly owns 26% of the authorized capital of the Management Company. Andrius Stonkus directly owns 0,1% of the authorized capital of the Management Company.
Mindaugas Marcinkevičius	Member of the Management Board	47	Mr. Mindaugas Marcinkevičius is the sole shareholder of UAB "Glera", legal entity code 302576414, registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania that directly owns 47% of the authorized capital of the Management Company.
Antanas Vainauskas	Member of the Management Board	9	Mr. Antanas Vainauskas is the sole shareholder of UAB „Serenus“, legal entity code 300612833, registered address at Jogailos st. 9, Vilnius, the Republic of Lithuania that directly owns 9% of the authorized capital of the Management Company.

Source: the Company

4.8. Conflicts of Interest

As indicated in the Section 4.7.2 *Shares Held by the Management of the Management Company*, the Management Company's members of the Management Board Mr. Andrius Stonkus, Mr. Mindaugas Marcinkevičius and Mr. Antanas Vainauskas are direct and/or indirect shareholders of the Management Company (and the Issuer) through entities indicated in Table 3 of Section 4.7.2.

Thus, it is possible that these shareholders may favour any of their own interests rather than those of the Management Company. However, it shall be noted that the Management Company being a licensed entity supervised by the Bank of Lithuania implements conflicts of interest procedures in the Management Company in order to monitor and control conflicts of interest risk.

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Furthermore, none of the members of the Management Board of the Management Board is related to any other member of this body as well as to any of the Key Executives by blood or marriage.

4.9. Major Shareholders

On the date of this Prospectus, the authorised capital of the Company is EUR 1,050,000 and is divided into 42,000 ordinary registered Shares with a par value of EUR 25 each, all of which are fully paid. One Share carries one vote in the General Meeting.

The holdings of Major Shareholders of the Issuer as on the date of this Prospectus are provided below:

Table 4: Major Shareholders directly or indirectly holding more than 5% of the Issuer as of the date of this Prospectus

<i>Name, surname / name of the company</i>	<i>Company / fund code</i>	<i>Address</i>	<i>Shares held by shareholder</i>	<i>Shares held by shareholder, %</i>
Lords LB Special Fund IV, closed-end real estate investment fund intended for informed investors	I032	N/A	42,000	100
UAB "Lords LB Asset Management"	301849625	Jogailos st. 4, Vilnius, the Republic of Lithuania	Management Company controlling the Fund	
UAB "Aemulus"	302578408	Jogailos st. 9, Vilnius, the Republic of Lithuania	N/A	26 (indirectly through the Management Company where UAB "Aemulus" directly holds 26% of shares)
Andrius Stonkus	-	-	N/A	26 (indirectly through UAB "Aemulus" where Andrius Stonkus directly holds 100% of shares and UAB "Aemulus" directly holds 26% of shares in the Management Company) 0,1 (indirectly through the Management Company where Mr. Andrius Stonkus directly holds 0,1% of shares)
UAB "Glera"	302576414	Jogailos st. 4, Vilnius, the Republic of Lithuania	N/A	47 (indirectly through the Management Company where UAB "Glera" directly holds 47 % of shares)
Mindaugas Marcinkevičius	-		N/A	47 (indirectly through UAB "Glera" where Mr. Mindaugas Marcinkevičius directly holds 100% of shares and UAB "Glera" directly holds 47% of shares in the Management Company)
UAB "Patralis"	302831587	Jogailos st. 9, Vilnius, the Republic of Lithuania	N/A	9,9 (indirectly through the Management Company where UAB "Patralis" directly holds 9,9% of shares)

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<i>Name, surname / name of the company</i>	<i>Company / fund code</i>	<i>Address</i>	<i>Shares held by shareholder</i>	<i>Shares held by shareholder, %</i>
Stichting Administratiekantoor Property Partners	72326182	Konstitucijos av. 21C Quadrum North, Vilnius, the Republic of Lithuania	N/A	9,9 (indirectly through UAB "Patralis" where Stichting Administratiekantoor Property Partners directly holds 100% of shares and UAB "Patralis" directly holds 9,9% of shares in the Management Company)
Dorota Stonké	-	-	N/A	9,9 (indirectly through Stichting Administratiekantoor Property Partners where Mrs. Dorota Stonké directly holds 100 depository receipts of the fund under which Mrs. Dorota Stonké manages and administrates UAB "Patralis" that is 100% owned by Stichting Administratiekantoor Property Partners and UAB "Patralis" directly holds 9,9% of shares in the Management Company)
UAB "Serenus"	300612833	Jogailos st. 9, Vilnius, the Republic of Lithuania	N/A	9 (indirectly through the Management Company where UAB "Serenus" directly holds 9% of shares)
Antanas Vainauskas	-	-	N/A	9 (indirectly through UAB "Serenus" where Mr. Antanas Vainauskas directly holds 100% of shares and UAB "Serenus" directly holds 9% of shares in the Management Company)
Jonas Stonkus	-	-	N/A	8 (indirectly through the Management Company where Mr. Jonas Stonkus directly holds 8% of shares)
Total			42,000	100

Source: the Company

The control of the Issuer is exercised by the Issuer's shareholders (i.e. at the date of this Prospectus the sole shareholder of the Issuer is the Fund). The Issuer is not aware of any direct or indirect control links, except that the Management Company's members of the Management Board Mr. Andrius Stonkus, Mr. Mindaugas Marcinkevičius and Mr. Antanas Vainauskas are direct and/or indirect shareholders of the Management Company (and the Issuer) through entities indicated in Table 4 above. It shall be noted that the Management Company being a licensed entity supervised by the Bank of Lithuania implements conflicts of interest procedures in the Management Company in order to monitor and control conflicts of interest risk.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company, the Fund or the Management Company.

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The Company is not aware of any common control agreements between the shareholders of the Management Company. As of the date of the Prospectus, the Company is not aware of any existing agreements between the shareholders of the Management Company on the use of voting rights in effect.

4.10. Financial Information Concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses

4.10.1. Audited Financial Statements

Please refer to Section 4.1 *Statutory Auditors* regarding the information, related to audit of the BAS Audited Financial Statements and other information of the Prospectus, including information presented below in respect to the BAS Audited Financial Statements. The BAS Audited Financial Statements for the years ended 31 December 2021 and 31 December 2022 and the BAS Unaudited Financial Statements for the half-year period ended 30 June 2023 can be found as documents included into this Prospectus by reference as indicated in Section 2.5 *Information incorporated by Reference* under https://lordslb.lt/orkela_bonds/.

4.10.2. Qualifications and emphasis of matter

There was no qualification or emphasis of the matter in the auditor's report on the Company's BAS Audited Financial Statements for the years ended 31 December 2021.

The auditor's report on the Company's BAS Audited Financial Statements for the year ended 31 December 2022 contains a notice on the negative equity of the Company on 31 December 2022 and concerns regarding the business continuity of the Company.

Below is a full quote from the first page of the auditor's report on the Company's BAS Audited Financial Statements for the year ended 31 December 2022:

"We draw attention to Note 3.15 which describes that the Company's shareholders equity as at 31 December 2022 is negative and does not meet the requirement set out in the Law on Companies of the Republic of Lithuania. In such situation, in accordance with the Law on Companies of the Republic of Lithuania, the general meeting of the shareholders must be convened to decide on the measures to be taken in accordance with the requirements of the legislation in force. These issues, along with others included in Note 3.15, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

However, please consider that the negative equity situation has been rectified in October 2023 and as of the date of this Prospectus the Company's equity is positive as reflected in this Prospectus.

4.11. Legal and Arbitration Proceedings

The Company was not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have or have had in the recent past significant effects on the Company's financial position or profitability, except as indicated below.

4.12. Significant Change in the Issuer's Financial Position

There has been no significant, material adverse change in the Issuer's financial position since the last reporting year, except that the Issuer had a negative equity by the end of 2022 that has been rectified in October 2023. Although solved, such change is not reflected in the available financial statements of the Issuer and has not been audited yet. For more information please see Section 4.10.2 *Qualifications and emphasis of matter* and *Negative equity and business continuity risk* under Section 3.1.1 *Financial Risks*.

The General Manager is aware of no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year outside the course of its regular business activities.

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4.13. Regulatory Disclosures

The Issuer has been established on 24 September 2015. The latest Articles of Association of the Issuer have been registered the Register of Legal Entities on 16 October 2023 (please see Section 2.5 *Information Incorporated by Reference*). Article 2 of the Company's Articles of Association provides a description of the Company's objects and purposes and Article 5.5 of the Articles of Association establishes a rule of joint representation in the Company under which the General Manager represents the Company together with a procurist. Basic information on the Issuer is provided in Section 4.2. All activities of the Issuer are concentrated on the development of the Project, described in Section V *Project Description*.

There are no other regulatory disclosures by the Issuer under the Market Abuse Regulation as of the date of this Prospectus.

4.14. Material Contracts

The Company has not entered into material contracts other than contracts entered into in the ordinary course of business (as defined below) and/or contracts entered for the purposes of the Offering and Admission to trading on the Bond List of Nasdaq as indicated in Section 6.8 *Additional Information* and/or Collateral Agreement securing the Issue, which could result in the Company being under an obligation or an entitlement that is material to the Company's ability to meet its obligations to the Bondholders in respect of the Bonds being issued.

Below are the described material contracts (material financial agreements and other contracts) entered into in the ordinary course of business which are valid as at the date of the Prospectus.

Please consider that presently no material lease contracts of the Project's premises are concluded. Once new lease agreements are concluded, the Issuer will publish the information about concluded material contracts on the Issuer's website and on Nasdaq operated Central Storage Facility at www.crib.lt.

Financial agreements

Financial agreements with external parties

The Company has not concluded any financing agreements (credits, syndicated loans, credit lines, overdrafts, financial leasing) with external parties, except that on 19 January 2022 the Company has issued Bonds of the Issue to the Bondholders in the amount of EUR 5,000,000 under exemption provided in Article 1(4(b)) of the Prospectus Regulation and during the validity term of the First Prospectus, the Company has issued EUR 15,951,000 worth of Bonds of the Issue, as disclosed in this Prospectus.

Intragroup bond subscription agreement

The Company has entered into bond subscription agreement with Related Party (i.e the Fund) under which the Company has issued bonds to the Fund (not the Bonds of the Issue) on the following terms and conditions:

Agreement	Bond subscription agreement dated 15 November 2018	Bond subscription agreement dated 13 October 2023
Investor	Lords LB Special Fund IV, closed-end real estate investment fund intended for informed investors	Lords LB Special Fund IV, closed-end real estate investment fund intended for informed investors
Issuer	Company	Company
Purpose	Financing of working capital of the Company	Financing of working capital of the Company
Amount of issue (EUR)	11,000,000	8,000,000
Aggregate issue prices of the bonds subscribed (EUR)	11,000,000	598,000
Outstanding amount of	3,548,512	598,000

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the bonds (EUR)		
Interest rate	Fixed 4.02% (annually)	Fixed 7.32% (annually)
Maturity term	21 May 2024	19 May 2025
Security	Not applicable	Not applicable

Other material contracts

*General Works Agreement concluded by the Issuer and UAB „Naresta“ on 31 August 2021 (the **General Works Agreement**)*

- Subject matter of the General Works Agreement: constructions works, and other works provided in the General Works Agreement.
- Price of the General Works Agreement (exl. VAT): 49,830,720.
- Start of construction works: 9 September 2021.
- End of construction works: 31 July 2024.
- Applicable law and dispute resolution: the General Works Agreement is governed by Lithuanian law. The disputes arising out of or in connection with the General Works Agreement shall be settled by Vilnius Court of Commercial Arbitration.

Please note that before the conclusion of the General Works Agreement the foundation construction works at Vasario 16 st. 1, Vilnius, the Republic of Lithuania were carried out by UAB "Projektana" under the Works Agreement dated 24 May 2021 concluded by the Issuer and UAB "Projektana" (the **Works Agreement**). The Works Agreement expired after the conclusion of the General Works Agreement.

*Design Work Agreement concluded by the Issuer, UAB "DO Architects" and UAB "Archinova" on 19 May 2020 (the **Design Work Agreement**)*

- Subject matter of the Design Work Agreement: design works of the building complex located at Vasario 16 st. 1, Vilnius, the Republic of Lithuania and preparation of technical project and management project, other documents as provided in the Design Work Agreement and it's annexes, amendments or supplements.
- Term of the Design Work Agreement: shall remain in force until all obligations of the Parties under it proper performance or termination of the Design Work Agreement in accordance with the procedure established therein.
- Applicable law and dispute resolution: the Design Work Agreement is governed by Lithuanian law. The disputes arising out of or in connection with the General Works Agreement shall be settled by Vilnius Court of Commercial Arbitration.

*Building Maintenance Agreement concluded by the Issuer and UAB "Contestus" on 1 April 2021 (the **Building Maintenance Agreement**)*

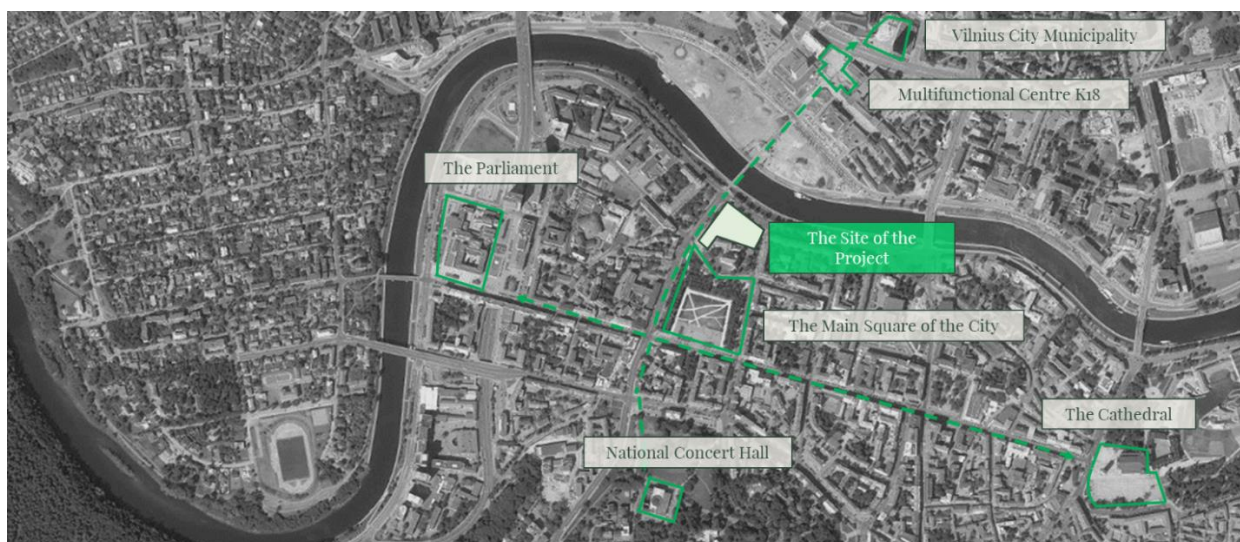
- Subject matter of the Building Maintenance Agreement: construction maintenance and other related construction consultancy services to ensure the timely and proper completion of the construction of the building complex located at Vasario 16 st. 1, Vilnius, the Republic of Lithuania.
- Start of construction maintenance: 15 April 2021.
- End of construction maintenance: on the day the building complex is declared fit for use in accordance with applicable laws.
- Applicable law and dispute resolution: the Building Maintenance Agreement is governed by Lithuanian law. The disputes arising out of or in connection with the General Works Agreement shall be settled by competent courts of the Republic of Lithuania.

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V. PROJECT DESCRIPTION

The Issuer is developing and constructing the Project (i.e. educational and office real estate complex in the centre of Vilnius at Vasario 16 st. 1). The complex will preliminarily consist of three parts. The Project is located in the city centre, between the Neris river and Lukiškių square. The urban tradition of the place will be developed, and a coherent and vibrant quarter will be formed, which will be attractive to citizens and tourists alike.

The location of the Project is visually presented below in the picture:



Source: the Company

The Company has started the preparatory works in September of 2021. The complex was initially intended to be built as a hotel and school complex completion of which was initially projected by the end of 2023, secondly as international school with hospitality (boarding) services to be completed around Q3 of 2024. However, as two main material contracts in respect to the lease of the Project premises were terminated in November 2023, the Issuer has decided to implement an alternative Project's development scenario under which it is anticipated that educational facilities (as kindergarten and/or primary, and/or secondary schools), office and retail activities, as well as a couple of restaurants and coffee stores, underground parking will operate in the premises of the Project.

Under the revised construction schedule the completion of the Project is projected around the end of 2024. However, considering that under the revised Project's development scenario the Project's premises will be subject to additional design works that might affect the final timeline of the construction of the Project and Project might not be completed by the time expected. Moreover, as the Issuer is switching to multitenant structure, the Issuer's success in finding tenants and fit out of the Project's premises for separate tenants might also have an impact on the final date of completion of the whole Project and generation of expected return from lease of the Project's premises.

The development timeline is presented below:

	Months	2021.09	2021.10	2021.11	2021.12	2022.01	2022.02	2022.03	2022.04	2022.05	2022.06	2022.07	2022.08	2022.09	2022.10	2022.11	2022.12	2023.01	2023.02	2023.03	2023.04	2023.05	2023.06	2023.07	2023.08	2023.09	2023.10	2023.11	2023.12	2024.01	2024.02	2024.03	2024.04	2024.05	2024.06	2024.07	2024.08	2024.09	2024.10	2024.11	2024.12		
Ground Works																																											
Core Construction Works																																											
Engineering works																																											
Interior Decoration																																											
Environment																																											
Completion of the project																																											

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Source: the Company

The building site was acquired by the Management Company in 2016. However, the construction permit was granted on 8 March 2021. The full development and construction of the Project will be financed in four stages:

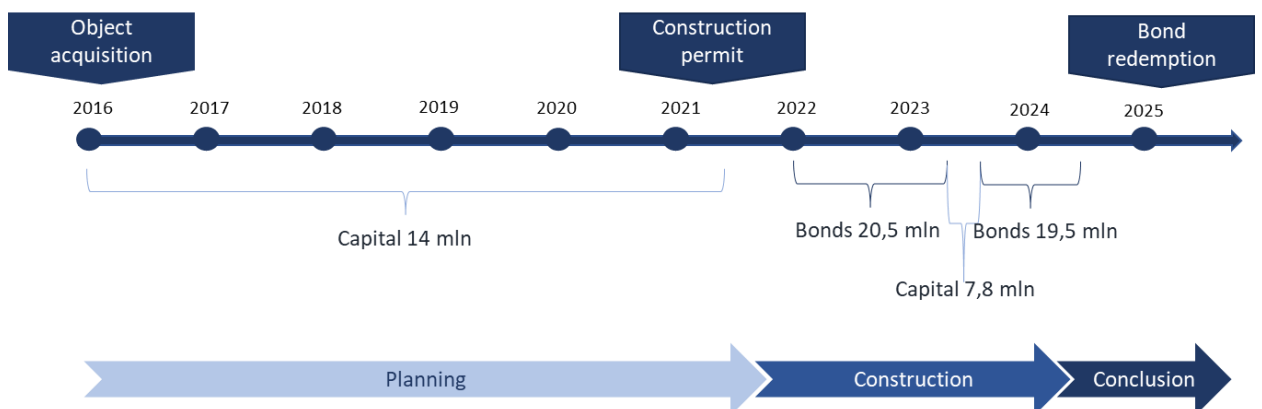
- during the first stage the first part of the Bonds of the Issue in the amount of EUR 5,000,000 were issued under exemption provided in Article 1(4(b)) of the Prospectus Regulation;
- during the second stage the second part of the Bonds of the Issue in the amount of EUR 15,951,000 were issued under the First Prospectus that expired on 24 May 2023;
- the third stage of the financing would be the financing by the sole shareholder in the amount of EUR 7,800,000 by way of various debt instruments, to be fully or partially converted into equity of the Company. Financing in the amount of EUR 1,700,000 was provided in September 2023 (that has been converted into equity of the Company in October 2023 as disclosed in Section 4.2 of the Prospectus), financing in the amount of EUR 800,000 will be granted in October 2023, financing in the amount of EUR 5,300,000 is planned to be granted by April 2024. Please note that (i) all debt instruments of the Company subscribed by the sole shareholder of the Company are in any case fully subordinated against the Bonds of the Issue and (ii) the Company's debt obligations to the sole shareholder may be converted into equity by the issuance of new shares of the Company only;
- the last stage of the financing would be the third part of the Bond Issue in Tranches in the amount of up to EUR 19,049,000 which would be raised under this Prospectus.

The financing is estimated to cover the budgeted full development and construction costs.

The agreement with UAB "Naresta" as a general contractor is concluded with respect to the construction and development of the Project (for more details please refer to Section 4.14 *Material Contracts*).

Under current market conditions the developed and fully leased Project under the school and office scenario would generate annually EUR 4,020,000 of net operating income as educational and office facilities would bring EUR 3,685,000 and parking would generate EUR 335,000. Please note that the Issuer is expecting to start receiving rental income under the lease agreements with tenants once the Project is completed and the handover deeds are signed with tenants. It is expected to reach full occupancy in Q2 of 2025, therefore at the beginning the Issuer might generate lower income from lease of the Project. Currently, the completion of the Project is scheduled around the end of 2024.

Below is the visual presentation of the financing structure:



Source: the Company

The Final Maturity Date of the Bonds is 19 January 2025. The Issuer plans to use bank loan as the main source for the redemption of the Bonds. However, at the date of this Prospectus no refinancing agreement is concluded with any bank, but the Issuer is expecting to start negotiations on refinancing terms as the end of the project approaches. The Issuer might as well decide to sell the Project and use the proceeds for redemption of the Bonds.

Education and office facilities

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The St. Jacobs quarter stands as a blend of historical architecture and contemporary design: three historical buildings are connected through newly constructed parts. Adjacent to the church, a fourth building, though separate, offers a 300 square meter space with panoramic views.

The implementation of raised flooring throughout the premises allows for efficient air distribution and easy access to electrical and data cabling. This innovative approach not only optimizes the airflow but also facilitates the integration of modern technologies without compromising the historical integrity of the buildings.

A Building Management System (BMS) has been implemented, which monitors and controls heating, cooling, ventilation, lighting, and other vital building functions, ensuring optimal performance while minimizing energy consumption.

Additionally, the HVAC systems are designed to complement the historical architecture, integrated to preserve the aesthetic appeal of the buildings. These systems provide air quality and climate control, maintaining the charm and character of the heritage structures.

By seamlessly integrating modern engineering solutions, the St. Jacobs quarter not only honors its historical significance but also sets a benchmark for sustainable, technologically advanced infrastructure, creating an environment where history and innovation coexist harmoniously.

The new construction, spanning 12 thousand square meters, caters to a diverse range of tenants, offering spaces varying from 250 to 2,200 square meters per floor. These spaces capture the essence of the old town, offering flexible layouts and modern engineering systems for tenant comfort. Direct access to a parking lot further enhances convenience.

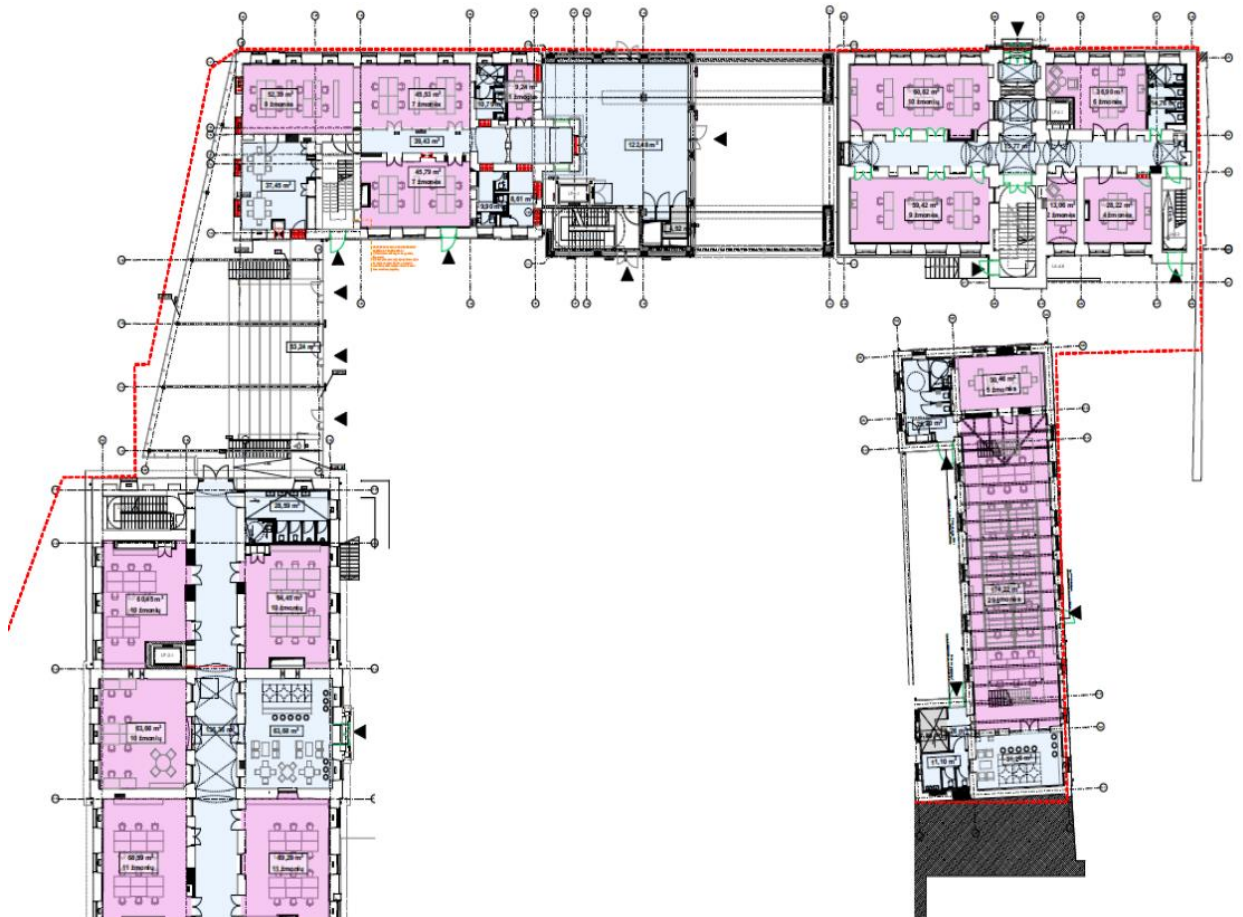
Tenants in this location have the opportunity to customize their spaces, capitalizing on the prime location's historical significance and ambiance. The surroundings aren't just a backdrop; they provide a unique narrative that adds depth and character to the workspace.

The buildings within the St. Jacobs quarter allows for easy customization to accommodate various educational needs, whether for schools, kindergartens, or other educational institutions. Spaces can be adjusted to suit classroom sizes and layouts required by educational facilities.

The presence of drive-through roads within the territory facilitates convenient drop-off and pick-up zones for parents.

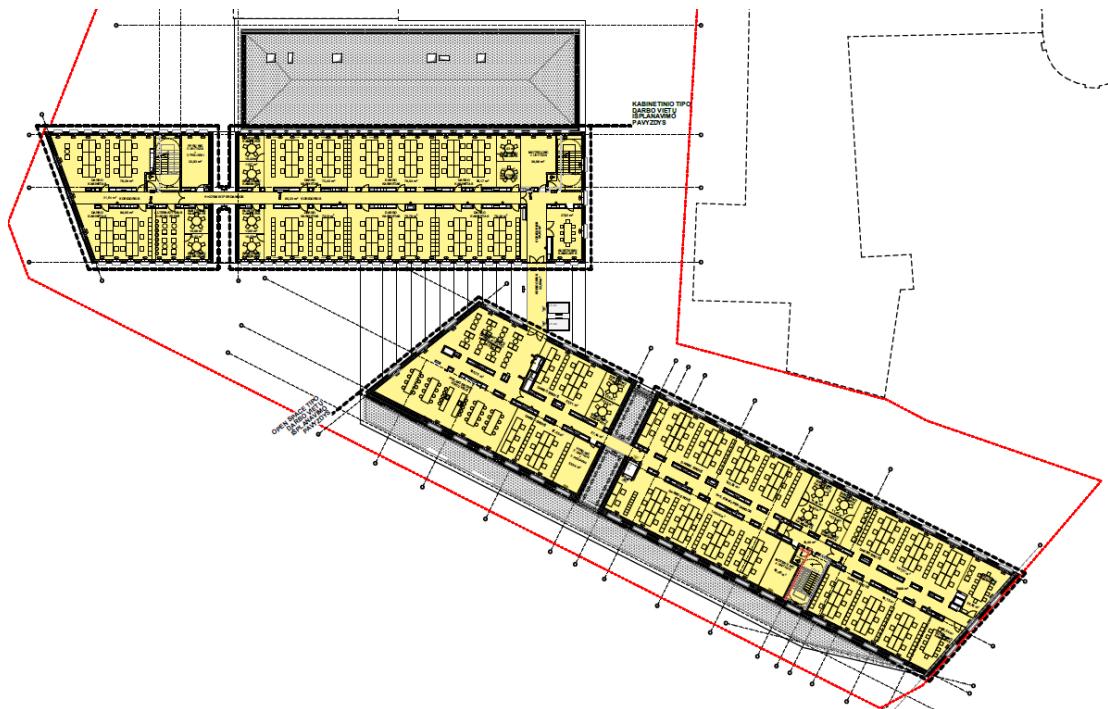
Typical floor layout of a historical part:

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Source: the Company

Typical floor layout of a newly constructed part:



Underground parking

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The second income generating unit is parking which will be situated underground and will have 240 parking spaces, it will be operated by the leading parking company in Lithuania Unipark. Parking space will have a gross floor area of 5,820 m². A two-level underground car park will provide parking for the buildings of the Project. Access to the storage facility would be provided via the designed entrance from Lukiškių st. via a two-sided ramp with 1 metre separating lane.

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VI. DESCRIPTION OF BONDS OFFERING AND ADMISSION TO TRADING

6.1. Interest of Natural and Legal Persons Involved in the Offering

Save for commissions to be paid to the Lead Manager, or Managers, or Nasdaq, so far as the Issuer is aware, no person involved in the Offering of the Bonds has an interest material to the Issue/Offering, nor any conflicting interests.

Please note that one part of the proceeds generated from the Offering will be used for repayment of outstanding subordinated debt to the Fund (as described in Section below).

More information about the interest of natural and legal persons in connection with the Prospectus, Offering and/or Admission to trading on the Bond List of Nasdaq is presented in Section I *Background of the Offering and Use of Proceeds*.

6.2. Grounds and Reasons for the Offering and Use of Proceeds

This Prospectus is designated to (i) Offering of the Bonds of the Company in the amount of up to EUR 19,049,000 and (ii) Admission of the Bonds of the Offering thereof to trading on the Bond List of Nasdaq.

The Bonds are issued based on decision of the sole shareholder of the Issuer (i.e. the Fund) dated 2 December 2021, with clarifying decisions of the sole shareholder (i.e. the Fund) adopted on 7 December 2021 and on 13 December 2021.

The Issuer intends to attract debt financing up to EUR 19,049,000 under this Prospectus to be issued in Tranches required for the following purposes:

- (i) to finance construction and fit-out of the Project in the amount of up to EUR 15,271,632;
- (ii) repayment of the outstanding subordinated debt to the direct shareholder of the Issuer (i.e. Fund) arising out of the bond subscription agreement concluded by the Issuer and the Fund dated 15 November 2018, but not more than EUR 300,000.96 which is the amount not repaid from the permitted repayment of EUR 1,500,000 debt to the Fund under the decision of the sole shareholder of the Issuer (i.e. the Fund) dated 2 December 2021, with clarifying decisions of the sole shareholder (i.e. the Fund) adopted on 7 December 2021 and on 13 December 2021; and
- (iii) to finance working capital of the Issuer in the amount of up to EUR 485,000;
- (iv) interest payments up to EUR 2,800,000;
- (v) payment of the fees and expenses incurred in connection with the Offering in the amount of up to EUR 192,368.

The expenses of the Offering of the Bonds mainly consist of the commission to be paid in connection with the Offering of the Bonds to the Lead Manager and/or Managers, if any, Nasdaq, and fees paid to the Trustee, legal adviser. For more information on this issue please see Section I *Background of the Offering and Use of Proceeds*.

6.3. Information Concerning the Securities to be Offered and Admitted to Trading

Description of the Bonds of the Company to be Offered and Admitted to Trading on the Bond List of Nasdaq

Securities to be offered and admitted to trading on the Bond List of Nasdaq	19,049 Bonds with a nominal value of EUR 1,000 each (with EUR 19,049,000 Maximum Aggregate Nominal Value of the Offering).
Type of securities	Secured non-convertible non-subordinated bonds of the Company – debt bonds with a fixed-term, non-equity (debt) securities under which the Company shall become the debtor of the Bondholders and shall assume obligations for the benefit of the Bondholders. The Bonds may not be converted into ordinary Shares or other instruments of ownership of the Issuer.
Decision by which the Bonds are issued	The Bonds are issued based on decision of the sole shareholder of the Issuer (i.e. the Fund) dated 2 December 2021, with clarifying decisions of

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	the sole shareholder (i.e. the Fund) adopted on 7 December 2021 and on 13 December 2021.
Method of Issue	The Bonds will be issued in Tranches under the same ISIN code, but different Final Terms. Each Tranche will be issued on different Issue Dates. The Bonds of each Tranche will all be subject to identical terms as provided in the Terms and Conditions, except that the Final Terms of different Tranches will contain specific conditions relevant the respective Tranche.
Issue Date of the Bonds	The Issue Date of the respective Tranche shall be specified in the Final Terms of such Tranche.
Issue Price of the Bonds	The Issue Price of each respective Tranche of the Bonds shall be determined by the Issuer before opening of the Subscription Period of the respective Tranche, considering the Nominal Value per Bond, Yield and the interest accrued from the last Interest Payment Date in accordance with prevailing market conditions. Therefore, please note that the Issue Price may vary from Tranche to Tranche and may be higher or lower than the Nominal Value. The Issue Price of the respective Tranche shall be specified in the Final Terms of such Tranche.
Subscription Periods	The Subscription Period of the respective Tranche shall be specified in the Final Terms of such Tranche.
Payment Dates	The Payment Date of the respective Tranche shall be specified in the Final Terms of such Tranche.
Minimum Investment Amount	Minimum Investment Amount under the respective Tranche shall be specified in the Final Terms of such Tranche.
ISIN	LT0000405961
Total number of Bonds to be issued under the Prospectus	19,049
Nominal Value per Bond	The stated value of a Bond, whereas on the Issue Date the Nominal Value is the value in which a Bond is denominated and following the repayment of principal of the Bonds, the Nominal Value is equal to the outstanding principal value of the Bond. The Nominal Value of Bonds is EUR 1,000.
Maximum Aggregate Nominal Value of the Offering	The maximum aggregate Nominal Value of the Bonds to be issued under this Prospectus which amounts to EUR 19,049,000.
Currency of Bonds	EUR
Legislation under which the Bonds shall be created	<p>The Civil Code, the Law on Companies, the Law on Securities, and other related legal acts. All the relations of the Company and the Investors in connection with the Bonds shall be determined in accordance with the laws of the Republic of Lithuania, including without limitation, the Law on Companies and the Law on Protection of Interests of Bondholders.</p> <p>Only the shareholders of the Issuer have voting rights in the General Meetings (as of the date of this Prospectus the Fund is the sole shareholder of the Issuer). The Bonds carry no such voting rights. Consequently, the Bondholders cannot influence any decisions by the Issuer's shareholders concerning, for instance, the capital structure of the Issuer. The rights conferred by the Bonds are described in detail in Section 6.4 <i>Rights Conferred by Securities to be Offered and Admitted to Trading</i>.</p> <p>The status of the Bonds in the Issuer's capital structure in case of the Issuer's insolvency is defined in this table below under <i>Credit ratings assigned to the Issuer or the Bonds and status thereof</i>.</p> <p>Any disputes, relating to or arising in relation to the Bonds shall be finally settled solely by the Vilnius Court of Commercial Arbitration in accordance with its Rules of Arbitration which is granted with exclusive jurisdiction to hear, settle and/or determine any dispute, controversy, or claim (including any non-contractual dispute, controversy or claim) arising out of or in connection with the Prospectus or the Bonds.</p>
Form of Bonds	The Bonds shall be issued in non-material registered form. According to the Law on Markets in Financial Instruments the book-entry and accounting of

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	<p>the dematerialized securities in the Republic of Lithuania, which will be admitted to trading on the regulated market (Bond List of Nasdaq), shall be made by Nasdaq CSD. Entity to be in charge of keeping the records will be the Lead Manager.</p> <p>The Bonds of the respective Tranche shall be valid from the date of their registration until the date of their redemption and deletion from the Register. No physical certificates will be issued to the investors. Nominal Value and interest accrued will be credited to the Bondholders' accounts through the Register by the Registrar.</p>
<p>Credit ratings assigned to the Issuer or the Bonds and status thereof</p>	<p>Neither the Issuer, nor the Bonds shall be assigned with the credit ratings as a result of the Offering.</p> <p>The Bondholders' interest shall be secured with the first ranking maximum mortgage over the Property. The Bonds together with interest thereon shall constitute senior secured obligations of the Issuer and shall rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Issuer under such Bonds together with interest thereon, in as much as such payment obligations have not been settled in due time and from the value of the established Collateral, shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer.</p>
<p>Interest rate and Interest Payment Dates</p>	<p>Annual interest rate per Bonds is 6% (fixed).</p> <p>The remaining Interest Payment Dates of the Issue shall be 19 January 2024, 19 July 2024, 19 January 2025, or, if applicable, Early Redemption Date or Early Maturity Date.</p> <p>Interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period. The first interest period concerning this Prospectus commences on the Issue Date of the first Tranche to be issued under this Prospectus and ends on the first Interest Payment Date (excluding) indicated above. Each consecutive interest period begins on the previous Interest Payment Date (inclusive) and ends on the following Interest Payment Date (excluding). The last interest period ends on the Final Maturity Date (inclusive) or on the relevant Early Redemption Date (inclusive), or Early Maturity Date (inclusive), if any.</p> <p>Accrued interest in respect of the Bonds will be calculated on the basis of the actual number of days elapsed in the relevant interest period divided by actual length in days of the relevant interest period multiplied by frequency factor of 2, i.e. a day count convention Act/Act (ICMA) will be used.</p> <p>The interest payment on all Interest Payment Dates is determined according to the following formula:</p> <p>CPN = F x C/2 where: F – Nominal Value of the Bonds; C – annual interest rate (%) payable on the Bonds under the Prospectus; CPN – amount of the interest to be paid on the Interest Payment Date.</p> <p>Should any Interest Payment Date fall on a date which is not a Business Day, the payment of the interest due will be postponed to the next Business Day. The postponement of the payment date shall not have an impact on the amount payable.</p>
<p>Yield</p>	<p>The Yield of each respective Tranche of the Bonds shall be determined by the Issuer before opening of the Subscription Period of the respective Tranche after taking into account the credit risk of the Issuer, interest payment and redemption structure of Bonds and considering current yields of alternative debt instruments present in the Lithuanian capital market. The</p>

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	Yield of the respective Tranche shall be specified in the Final Terms of such Tranche.
Final Maturity Date and principal payment	<p>19 January 2025.</p> <p>The term for provision of the requests/applications to redeem the Bonds shall not be applicable, as upon the Final Maturity Date of Bonds, the nominal value thereof with the cumulative interest accrued shall be transferred to the bank accounts indicated by the Bondholders when purchasing the Bonds without separate request/application of the Bondholders.</p> <p>If the Final Maturity Date is not a Business Day, the Issuer shall make redemption payment through the Register on the first following Business Day observing the terms and conditions stated in this clause. The postponement of the payment date of the redemption payment in such case shall not have an impact on the amount payable.</p> <p>Following the receipt of the complete Redemption Price payments in the Bondholders' current accounts (disregarding the fact, whether the Bondholder accepts the transferred funds), the Bonds shall be considered redeemed to the relevant extent and the Bonds shall be removed from the Register and Nasdaq Vilnius. The Bondholders are obligated to co-operate with the Issuer and do all actions reasonably required for deleting the Bonds from the Register and Nasdaq Vilnius.</p> <p>The Redemption Price shall be paid to the Investors, who according to the Register's information, on the Record Date hold the Bonds. Payment of the Redemption Price shall be carried out through the Register by the Registrar.</p> <p>If the mentioned amounts are not transferred to the accounts indicated by the Bondholders, the Bondholders shall have a right to claim for redemption of the Bonds within 3 years after the Final Maturity Date, or in case of an early redemption after the Early Redemption Date or Early Maturity Date. If the Bondholder does not claim for the redemption of the Bonds within the 3 years term, the Bondholder shall be deprived from a right of claim for redemption.</p>
Redemption Price of the Bond	<p>The Bonds shall be redeemed, i.e. the Redemption Price shall be paid to the Investors on the Final Maturity Date or, if applicable, on the relevant Early Redemption Date or Early Maturity Date.</p> <p>The Redemption Price paid to the Bondholder on the Final Maturity Date equals the full outstanding principal (i.e. Nominal Value) together with the unpaid interest accrued up to the Final Maturity Date (unless early redeemed, as indicated below).</p>
Early optional redemption of Bonds by the Issuer	<p>The Bonds shall be redeemable wholly or partially at the option of the Issuer prior to their maturity on the following conditions:</p> <ul style="list-style-type: none"> (i) early redemption may occur at the sole discretion of the Issuer taking into account the progress of development of the Project (or separate stages of it, including but not limited to the situation prescribed in Section 6.3.1.4.2 of the Prospectus) on the Early Redemption Date, designated in a 20 (twenty) day prior written notice to the Investors and the Trustee; (ii) in case of a partial redemption of the Bonds, the Bonds have to be redeemed from the Bondholders proportionally, if necessary, by rounding up the redeemable number of Bonds from an individual Bondholder to the nearest whole number. In the respective case, the Redemption Price shall be equal to the Nominal Value of the redeemable bonds (the Redeemable Bonds) and interest accrued on the Redeemable Bonds together with the premium if such is applied and as described below;

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	<p>(iii) on the Early Redemption Date the Issuer shall pay to the Investors full Nominal Value of the Redeemable Bonds as indicated in the respective notification sent to the Bondholders in accordance with the point (i) above together with the unpaid interest accrued up to the relevant Early Redemption Date (inclusive) and premium equal to:</p> <p>a. if Early Redemption Date occurs from 19 July 2023 (exclusive) and 19 January 2024 (inclusive), the Redemption Price to be paid to the Bondholder on the Early Redemption Date equals the full or part of the Nominal Value as indicated in the respective notification sent to the Bondholders in accordance with the point (i) above together with the unpaid interest accrued up to the relevant Early Redemption Date (inclusive) and premium of 0.5%.</p> <p>For sake of clarity, no premium shall be paid if the Early Redemption Date is after 19 January 2024.</p> <p>Premium and interest shall be calculated from the amount of the Nominal Value of the Bonds early redeemable from the respective Investor.</p> <p>The Issuer will have the right to redeem the Bonds before the Final Maturity Date without a premium established above in case the Investor breaches or there is a reasonable concern that the Investor might breach anti-money laundering or sanction regulations. The Issuer or the Lead Manager or the Manager, if any, at any time is entitled to request any of the Investors directly or through the Trustee to provide necessary documents for the Issuer or the Lead Manager or the Manager, if any, to perform sanction screening or other verification checks so as to implement sanction and/or anti-money laundering requirements. The Investors undertake to submit the requested documents or information within the time period set by the Issuer or the Lead Manager or the Manager.</p>
<p>No early redemption of Bonds under the request of the Bondholders</p>	<p>Except for cases specified in Section 6.3.2 <i>Extraordinary Early Redemption</i> below, there are no other cases where the Bondholders have a right to demand redemption of the Bonds prior the Final Maturity Date.</p>
<p>Offering and listing of Bonds</p>	<p>The Bonds shall be offered to the Investors in Tranches with the relevant Final Terms of the respective Tranche published in accordance with this Prospectus before opening of the Subscription Period of the respective Tranche. The Bonds shall be applied for introduction to trading on the Bond List of Nasdaq once the Bonds shall be subscribed and fully paid by the Investors and registered with the Register.</p> <p>The Issuer expects that the Bonds of the respective Tranche shall be admitted to trading on the Bond List of Nasdaq within 6 months as from placement of the Bonds of the respective Tranche the latest. Disregarding this, the Issuer will put its best endeavours so that this term would be as short as practicable possible. The Final Terms will indicate the respective Tranche's expected listing and admission date.</p> <p>The Issuer shall also put its best efforts to ensure that the Bonds remain listed on the Bond List of Nasdaq. The Issuer shall, following an Admission to trading, take all reasonable actions on its part required as a result of such trading of Bonds.</p>
<p>Collateral</p>	<p>The Issue, including the Bonds to be issued under this Prospectus, is secured by a first ranking mortgage over the Property constituting a Collateral in favour of the Trustee (acting on behalf and for the benefit of all Bondholders) under the Collateral Agreement.</p> <p>The value of the Collateral is established in the Collateral Agreement. The value of the Collateral may vary during validity of the Collateral Agreement,</p>

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	<p>however it does not influence rights of the Trustee which is a creditor under the Collateral Agreement to fulfil Secured Obligation from all value of the Collateral, existing at the moment of Collateral realization. In case of enforcement, to the extent it is not otherwise regulated under the Civil Code, the value of the Collateral shall be determined under the procedures established in the Collateral Agreement.</p> <p>Information about the protection of interests of Bondholders, including information about the Trustee as a representative of the Bondholders is provided in Section 6.4 <i>Rights Conferred by Securities to be Offered and Admitted to Trading</i></p>
Transfer restrictions	<p>There are no restrictions on transfer of Bonds as they are described in the applicable Lithuanian laws. However, the Bonds cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Lithuanian laws, including, without limitation, in the US, Australia, Canada, Hong Kong and Japan. For more information on this issue please see Section 2.2 <i>Notice to Prospective Investors</i> in Section II of this Prospectus.</p>
Taxation	<p>All payments to be made in connection with the Bonds shall be calculated and paid taking into account any taxes and other deductions mandatory under applicable laws respectively in the Republic of Lithuania, the Republic of Latvia and the Republic of Estonia. Please see Section 6.5 <i>Taxation</i> for more information in respect to each jurisdiction.</p> <p>Republic of Lithuania</p> <p>Lithuanian resident Investors will pay the taxes from the amounts received in connection with the Bonds themselves.</p> <p>Republic of Latvia</p> <p>For all Latvian resident individual Investors, the Issuer shall make interest payment after the withholding or deduction has been made and shall account to the relevant authorities in accordance with the applicable laws for the amounts so required to be withheld or deducted. The Issuer will not be obliged to make any additional compensation to the Investors in respect of such withholding or deduction. For Latvian Investors – Latvian resident entities capital gains and Bond interest income is not subject to taxation in Latvia until the moment of profit distribution.</p> <p>For Latvian resident Investors (individuals and entities) taxes will be payable in the country of residence. Latvian resident Investors (individuals) seeking to reduce income tax by the amount of income tax withheld in the Republic of Lithuania must provide supporting documents and information as may be required by applicable law as set forth in Section 6.5.1.1. <i>Taxation of Bond Interest received by Lithuanian Non-Resident Individuals</i>.</p> <p>Republic of Estonia</p> <p>For all Estonian resident Investors (individual and entities), the Issuer shall make income payments after the withholding or deduction has been made and shall account to the relevant authorities in accordance with the applicable laws for the amounts so required to be withheld or deducted. The Issuer will not be obliged to make any additional compensation to the Investors in respect of such withholding or deduction.</p> <p>Estonian resident Investors (individuals) seeking to reduce income tax by the amount of income tax withheld in the Republic of Lithuania must provide supporting documents and information as may be required by applicable</p>

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	law as set forth in Section 6.5.1.1. <i>Taxation of Bond Interest received by Lithuanian Non-Resident Individuals.</i>
Estimated expenses charged to the Investor	No expenses or taxes will be charged to the Investors by the Issuer in respect to the Offering and Admission of the Bonds. However, the Investors may be obliged to cover expenses which are related to the opening of securities accounts with credit institutions or investment brokerage firms, as well as commissions which are charged by the credit institutions or investment brokerage firms in relation to the execution of the Investor's purchase or selling orders of the Bonds, the holding of the Bonds or any other operations in relation to the Bonds. The Issuer will not compensate the Bondholders for any such expenses.
Lead Manager	Šiaulių bankas, AB, legal entity code 112025254, with its registered address at Tilžės st. 149, Šiauliai, the Republic of Lithuania.
Trustee	UAB „AUDIFINA“, a private limited liability company, legal entity code 125921757, with its registered address at A. Juozapavičiaus st. 6, LT-09310 Vilnius, the Republic of Lithuania.
Possibility to subscribe during the Auction	<p>If the Issuer would decide to organize an Auction for the Primary Distribution of the Bonds through Nasdaq trading system, the Investors will be able to subscribe to the Bonds and pay the Issue Price through the Exchange Members as prescribed in part <i>Additional provisions in respect to Subscription procedure for the Auction</i> below.</p> <p>The Issuer in its sole discretion shall decide and indicate in the relevant Final Terms what amount of the respective Tranche shall be offered by way of an Auction, if any, and by the Issuer itself, and/or the Lead Manager, and/or the Managers, if any.</p> <p>In case of an Auction, the amount of the respective Tranche to be offered through Nasdaq will be disclosed in the Final Terms of such Tranche and indicated in the Auction Rules published on Nasdaq website at www.nasdaqbaltic.com at least 1 day before opening of the Auction (Subscription Period) of the respective Tranche.</p>

6.3.1. Covenants of the Issuer

The Issuer shall be obliged to comply with the following covenants until the Bonds are fully repaid:

- 6.3.1.1. **Negative borrowing.** The Issuer shall not assume any Financial Indebtedness. The respective restriction does not apply to the Issuer in the following cases:
- 6.3.1.1.1. non-interest bearing Financial Indebtedness incurred in the ordinary course of business of the Issuer; or
 - 6.3.1.1.2. fully subordinated debt, from the direct and indirect shareholders of the Issuer and/or within the Related Entities, including Subscription of Bonds under the Terms and/or Prospectus by the Related Entities. For avoidance of doubts, the Bonds subscribed under the Terms and/or Prospectus by the Related Entities starting from the date of their Subscription shall be deemed as fully subordinated and ranking below other Bonds of the Issue; or
 - 6.3.1.1.3. financing provided to the Issuer by a third party to fund redemption of the Bonds (i.e. refinancing of the Bonds).
- 6.3.1.2. **Negative pledge.** Until full redemption of the Bonds the Issuer shall ensure that the Issuer will not create or permit to subsist any Security over any of its assets, including the Property, except for the Collateral Agreement executed under this Prospectus, Security securing Financial Indebtedness that is allowed under Section 6.3.1.1. above and other encumbrances that might be needed and that are required by third parties (except for financiers) for the purpose to dispose of the infrastructure and/or suprastructure related to or needed for the Project.
- 6.3.1.3. **Change of Control.** Until completion of the Project the Issuer undertakes to ensure that no change of control shall occur as defined further. A Change of Control shall be deemed occurred if direct shareholders of the Issuer as of the date of this Prospectus cease jointly to own more than 50% of the ordinary issued Shares and voting rights of the Issuer or may not exercise the control of the Issuer due to other legal restrictions (the **Change of Control**). Change of Control

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- does not occur in case of restructuring within the structure of the companies under the Management Company (i.e. if the new shareholders of the Issuer are the Related Entities).
- 6.3.1.4. **Disposal of the Property.** Until full or partial redemption of the Bonds (respectively on Final Maturity Date, Early Maturity Date or Early Redemption Date) the Issuer shall not, either in a single transaction or in a series of transactions whether related or not and whether voluntarily or involuntarily dispose and or/transfer the ownership of the Property to any third person nor conclude any agreements for such transfer of ownership, except that:
- 6.3.1.4.1. the Issuer has the right to conclude constructions' or other relevant services' agreements under the applicable laws with third persons, provided that such agreements are concluded on terms and conditions that enable the Issuer to complete the Project and fulfil its obligations under Bonds and the Terms.
- 6.3.1.4.2. in respect of the Building, subject to LTC ratio provided in Section 6.3.1.6 below, the Issuer upon completing particular stages of the Project has a right to divide the Building in separate premises and sell or lease those premises to third parties and release relevant part of the Property from the Collateral Agreement upon conducting partial early redemption of Bonds in accordance with the terms and conditions provided in the beginning of Section 6.3 of the Prospectus, but in any case only upon the consent provided in the decision of the Bondholders' Meeting which shall be adopted by a qualified majority of no less than $\frac{3}{4}$ of Bondholders, participating in the Bondholders' Meeting and having a voting right; or
- 6.3.1.4.3. upon Completion of the Project, the Issuer shall have a right to sell the Project to a third party and refinance outstanding Bonds. For avoidance of doubts, this clause does not restrict the Issuer from starting or participating in negotiations on the transfer of ownership of the Property (or part of it) before the Final Maturity Date and/or full redemption of Bonds, or Early Redemption Date under Section 6.3.1.4.2, but the transfer of ownership of the Property (or part of it) in any case shall not occur before the Final Maturity Date and/or the full redemption of Bonds, or Early Redemption Date under Section 6.3.1.4.2.
- 6.3.1.5. **Securities Account.** Pursuant to the Securities Account Agreement the Issuer undertakes to use (instruct the Lead Manager to make respective transactions on the Settlement Account) any amount standing to the credit on the Securities Account only for the following payments:
- 6.3.1.5.1. payments to the Issuer's bank account after the Bonds of the respective Tranche are issued and registered with the Register;
- 6.3.1.5.2. reimbursement to the Investors if the Issue of Bonds has been suspended or cancelled as set forth in this Prospectus; or
- 6.3.1.5.3. reimbursement to the Investors who were not allotted with the Bonds in full or partially.
- 6.3.1.6. **LTC ratio.** The Issuer undertakes to ensure that until full redemption of the Bonds the Issuer's LTC ratio does not exceed 70%. The LTC shall be calculated based on the following formula:

$$\text{LTC} = \frac{\text{Net Issue Size}}{\text{Costs of the Project}} \times 100\%$$

LTC shall mean loan to cost ratio.

Costs of the Project shall mean (without double-counting) expenditure by the Issuer in carrying out the Project, including each of the following:

- (a) costs incurred by the Issuer with respect to the Project by 30 June 2023 (inclusive) in the amount of EUR 36,346,632.45 (thirty-six million three hundred forty-six thousand six hundred thirty-two euro and forty-five cents);
 - (b) all sums paid from 1 July 2023 (inclusively) under the design, construction and other contracts with respect to the development of the Project;
 - (c) the aggregate of the invoices issued to the Issuer from 1 July 2023 (inclusively) for other costs such as legal, accounting, notarial, project management, and other professional fees, costs and expenses (including the costs of registries and any related taxes) incurred by the Issuer in connection with the Project; operating costs;
 - (d) the premium paid in respect of the insurances (other than insurances to be effected and paid for by any construction contractor);
 - (e) debt financing costs which become due and payable with respect to the Project.
- Costs of the Project shall not include VAT.

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6.3.1.7. **Mortgage over the Collateral.** The Issuer undertakes to ensure that during the Offering the mortgage created under the Collateral Agreement is effective and registered with the Real Estate Register of the Republic of Lithuania (formerly the Mortgage Register of the Republic of Lithuania).

6.3.1.8. **Reporting obligations.**

6.3.1.8.1. The Issuer shall provide the Trustee with a copy of its (or these documents can be found on the Issuer's website):

- (i) annual audited financial statements;
- (ii) unaudited semi-annual financial statements;
- (iii) semi-annual report on performance of the financial ratio LTC set forth in Section 6.3.1.6 signed by the General Manager of the Issuer together with the report on total amount of construction costs of the Project incurred till date of the respective report, and reconciliation of such costs against the construction budget set forth in Section V *Project Description* of this Prospectus.

6.3.1.8.2. The Issuer shall supply all the information set out in Section 6.3.1.8.1 above as soon as it becomes available and:

- (i) in the case of the audited financial statements within 120 calendar days after the end of the reporting year;
- (ii) in the case of the unaudited semi-annual financial statements, within 45 calendar days after the end of reporting period of 6 months;
- (iii) in case of the semi-annual report on performance of financial ratio LTC set forth in Section 6.3.1.8.1 (iii) above, within 45 calendar days after the end of the reporting period of 6 months.

In case the Investors through the Trustee request additional documents evidencing Costs of the Project detailed in Section 6.3.1.6 of this Prospectus, the Issuer within 30 calendar days as of receipt of such request of the Trustee, shall provide the following:

- (i) invoices received and accounted within the last reporting period set forth in Section 6.3.1.8.1 (iii); and
- (ii) accounting documents with respect to other Costs of the Project that are the costs other than stipulated in paragraph (i) above incurred by the Issuer.

The Issuer may deviate from the covenants set forth in this Section 6.3.1 upon the consent provided in the decision of the Bondholders' Meeting which shall be adopted by a qualified majority of no less than $\frac{3}{4}$ of Bondholders, participating in the Bondholders' Meeting and having voting rights. Upon receiving the consent of the Bondholders in respect of particular covenant it shall be deemed that Bondholders waive their rights in respect of the Extraordinary Early Redemption Event provided in Section 6.3.2.1 (ii) below.

6.3.2. Extraordinary Early Redemption

6.3.2.1. The Bondholders' Meeting shall have the right but not the obligation to demand immediate redemption of the Bonds held by the Investors upon occurrence of any of the following events (the **Extraordinary Early Redemption Event**):

- (i) **Non-Payment.** The Issuer fails to make any payments under this Prospectus within 10 Business Days from the relevant due payment date, except for cases when the failure to pay is caused by a reason of *Force Majeure* as indicated in Section 6.3.3 of the Prospectus.
- (ii) **Breach of covenants.** The Issuer breaches any of the covenants set forth in Section 6.3.1 of this Prospectus and the Issuer has not remedied the breach in 20 Business Days as of receipt of the breach notice or has not remedied the breach within other term approved by a decision of the Bondholders' Meeting adopted by majority of Bondholders participating in the Bondholders' Meeting and having voting rights (other than the Related Entities).
- (iii) **Invalidity of the Collateral Agreement.** The Collateral Agreement terminates or is regarded invalid by a final decision of the Vilnius Court of Commercial Arbitration.
- (iv) **Liquidation.** An effective resolution is passed for the liquidation of the Issuer.
- (v) **Insolvency.** (i) The Issuer is declared bankrupt by a final decision of a court or admits inability to pay its debts; (ii) the Issuer enters into any arrangement with majority of its creditors by value in relation to restructuring of its debts or any meeting is convened to consider a proposal for such arrangement; or (iii) an application to initiate insolvency, restructuring or

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administration of the Issuer, or any other proceedings for the settlement of the debt of the Issuer is submitted to the court by the Issuer.

- 6.3.2.2. In case of the Issuer's liquidation or insolvency, the Investors shall have a right to receive payment of the outstanding principal amount of the Bonds and the interest accrued on the Bonds according to the relevant laws governing liquidation or insolvency of the Issuer.
- 6.3.2.3. The Issuer shall immediately but not later than within 3 Business Days notify the Trustee of the occurrence of an Extraordinary Early Redemption Event. In the absence of such notice, the Trustee shall be entitled to proceed on the basis that no such Extraordinary Early Redemption Event has occurred or is expected to occur.
- 6.3.2.4. If the Trustee receives information about occurrence of a possible Extraordinary Early Redemption Event from other sources than the Issuer, then the Trustee is entitled to ask the Issuer by submitting a letter to the Issuer to confirm or reject this information. The Issuer shall reply to the Trustee in writing (i.e. Rejection). If the Issuer does not send the Rejection to the Trustee within 5 Business Days from the receipt of the Trustee's inquiry, then the Extraordinary Early Redemption Event based on the Trustee's inquiry is deemed to have occurred on the day the period of 5 Business Days referred above expires.
- 6.3.2.5. In case the Issuer in a reasoned manner (i.e. providing for the reasons why the Extraordinary Early Redemption Event has not occurred supported with documentary evidence) and acting in good faith within 5 Business Days from the date of the inquiry sent by the Trustee to the Issuer pursuant to Section 6.3.2.4 of this Prospectus submits a Rejection to the Trustee, the Extraordinary Early Redemption Event is considered not to have occurred until relevant decision of the Bondholders' Meeting stating otherwise is adopted as specified in Section 6.3.2.6 below.
- 6.3.2.6. Upon the occurrence of any of the circumstances specified in Sections 6.3.2.1 above and if the Issuer has not sent the Rejection to the Trustee in accordance with Sections 6.3.2.4 and 6.3.2.5 above or the Bondholders' Meeting does not approve the Rejection and due to this the Bondholders' Meeting, in accordance with the procedure established by the law, adopts a decision (which shall be adopted by a qualified majority of no less than $\frac{3}{4}$ of Bondholders, participating in the Bondholders' Meeting and having a voting right) to demand extraordinary early redemption of the Bonds, the Issuer within 10 calendar days upon receiving the respective Bondholders' Meeting decision from the Trustee shall redeem all outstanding Bonds from all Bondholders holding Bonds on the Record Date by paying the Redemption Price. The Redemption Price payable to the Bondholders on the relevant Early Maturity Date shall be determined by the Issuer following the rules set forth in Section *Early optional redemption of Bonds by the Issuer* in the table provided in the beginning of Section 6.3. The 10th Business Day calculated from the day following the day of submission of the Trustee's inquiry to the Issuer as set forth in Section 6.3.2.4 of this Prospectus or the day the Issuer received the abovementioned Bondholders' Meeting decision to demand extraordinary early redemption of the Bonds from the Trustee, whichever is relevant, shall be the Early Maturity Date.
- 6.3.2.7. If the Bondholders' Meeting has not passed a decision as prescribed in Section above within 3 months after the occurrence of any of the Extraordinary Early Redemption Event specified in Section 6.3.2.1 above, the Bondholders shall lose the right to demand early redemption of the Bonds under this Section 6.3.2.

6.3.3. Other Matters

Purchases

The Issuer, any Related Entity may at any time purchase the Bonds in any manner and at any price on the secondary market. Bonds held by or for the account of any Related Entity will not carry the right to vote at the Bondholders' Meetings and will not be taken into account in determining how many Bonds are outstanding for the purposes of the Prospectus.

Force Majeure

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The Issuer, the Lead Manager and/or Nasdaq CSD, and/or any other party involved in the Offering (the **Affected Party**) shall be entitled to postpone the fulfilment of their obligations hereunder, in case the performance is not possible due to continuous existence of any of the following circumstances:

- (i) action of any authorities, war or threat of war, rebellion or civil unrest;
- (ii) disturbances in postal, telephone or electronic communications which are due to circumstances beyond the reasonable control of the Affected Party, and that materially affect operations of any of the Affected Party;
- (iii) any interruption of or delay in any functions or measures of Affected Party as a result of fire or other similar disaster;
- (iv) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Affected Party even if it only affects part of the employees of any of them and whether any of them is involved therein or not; or
- (v) any other similar Force Majeure which makes it unreasonably difficult to carry on the activities of the Affected Party.

In such case the fulfilment of the obligations may be postponed for the period of the existence of the respective circumstances and shall be resumed immediately after such circumstances cease to exist, provided that the Affected Party shall put all best efforts to limit the effect of the above referred circumstances and to resume the fulfilment of their obligations, as soon as possible.

Further issues

The Issuer may from time to time, without the consent of and notice to the Bondholders, create and issue further bonds subordinated to payment of Bondholders' claims on terms and in a form acceptable to the Trustee acting on behalf and for the benefit of the Bondholders. For the avoidance of doubt, this Section shall not limit the Issuer's right to issue any other bonds subordinated as described in the preceding sentence.

6.4. Rights Conferred by Securities to be Offered and Admitted to Trading

A Bond is a fixed-term non-equity non-subordinated (debt) security under which the Company which is the Issuer of the Bond becomes the debtor of the Bondholder and assumes obligations for the benefit of the Bondholder. The Bonds are incorporeal and shall be fixed by entries in the securities accounts of their holders. The Bonds of the Issue shall grant the Bondholders equal rights. Issuing Bonds in Tranches will not affect the rights of the Bondholders in any way and will not create any difference between the rights the Bondholders of each Tranche.

As from the maturity date of the Bonds, Bondholders shall have a right to receive from the Company the Nominal Value of the Bonds and the interest accrued and unpaid to dates, as indicated above, i.e. he/she/it shall have a right to require, that the Bonds would be redeemed for their Redemption Price. If the Company does not redeem the Bonds on their maturity, all settlements with the Bondholders shall be made through the account of the Trustee.

The Bondholders shall have the rights provided in Law on Protection of Interests of Bondholders, the Civil Code, the Law on Companies and other laws regulating the rights of Bondholders, as well as the rights specified in the decision to issue Bonds. The Bondholders shall have the following main rights:

- (i) to receive the interest accrued;
- (ii) to receive the Nominal Value and the interest accrued on the Final Maturity Date, or if applicable, on the Early Maturity Date or Early Redemption Date;
- (iii) to sell or transfer otherwise all or part of the Bonds;
- (iv) to bequeath all or part of owned Bonds to the ownership of other persons (applicable only towards natural persons);
- (v) to pledge all or part of the Bonds owned;
- (vi) to participate in the Bondholders' Meetings;
- (vii) to vote in the Bondholders' Meetings;
- (viii) to initiate the convocation of the Bondholders' Meetings following the procedure and in cases provided for in the Law on Protection of Interests of Bondholders;
- (ix) to adopt a decision to convene the Bondholders' Meeting following the procedure and in cases provided for in the Law on Protection of Interests of Bondholders;

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- (x) to obtain (request) the information about the Issuer, the Issue of Bonds under this Prospectus or other information related to the protection of his/her/its interests from the Trustee, except for cases established in the Prospectus when Bondholder has a right to request the Issuer, Lead Manager or Manager, if any, to provide his/her/its Subscription Order and Confirmation addressed to him/her/it;
- (xi) to receive a copy of the Agreement on Bondholders' Protection concluded between the Issuer and the Trustee and the Collateral Agreement from the Trustee;
- (xii) other rights, established in the applicable laws, the Agreement on Bondholders' Protection or in the constitutional documents of the Issuer.

No Bondholder shall be entitled to exercise any right of set-off against moneys owed by the Issuer in respect of the Bonds.

The rights of Bondholders shall be executed during the term of validity of Bonds as indicated in this Prospectus and applicable Lithuanian laws.

More detailed rights of the Bondholders, rights and obligations of the Trustee being a representative of Bondholders is provided in the Agreement on Bondholders' Protection and in Sections below.

Regulation on Bondholders' Meeting is provided in Section *Bondholders Meetings* below.

Notices

Bondholders shall be advised on matters relating to the Bonds by a notice published in English and Lithuanian on the Issuer's website at https://lordslb.lt/orkela_bonds/ and, after the Bonds are admitted to the Bond List of Nasdaq, also on Nasdaq operated Central Storage Facility at www.crib.lt. Any such notice shall be deemed to have been received by the Bondholders when published in the manner specified in this Section.

Representation of Bondholders

Law on Protection of Interests of Bondholders foresees that before issuing Bonds offered for public trading, a company must conclude a civil contract with an agent (trustee) of the bondholders (i.e. the Trustee) for representation of bondholder's interest. Under this contract, the Trustee shall undertake to safeguard the interests of the holders of a certain bond issue in their relations with the Issuer and the Issuer shall undertake to pay remuneration thereto. For the avoidance of doubt, the Trustee is a representative of all Bondholders of the Issue.

The General Manager of the Company has the right to conclude and to terminate the contract with the Trustee.

On 8 December 2021 the Issuer has concluded the Agreement on Bondholders' Protection with UAB „AUDIFINA“, a private limited liability company, legal entity code 125921757, with its registered address at A. Juozapavičiaus st. 6, LT-09310 Vilnius, the Republic of Lithuania.

Contact data of the Trustee

E-mail: info@audifina.lt
Representative: Jolanta Ruzgienė
Website: <https://www.audifina.lt/>.

Each Bondholder is entitled to receive a copy of the Agreement on Bondholders' Protection concluded between the Issuer and the Trustee, applying via an e-mail of the Trustee indicated above.

Trustee fees

The Company shall pay to the Trustee the fee, indicated in the Agreement on Bondholders' Protection. The fee shall be paid until full execution of the obligations, indicated in the respective decision to issue the Bonds, except for the cases when the contract ceases earlier.

The Agreement on Bondholders' Protection expires:

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- (i) the Issuer fulfils all its obligations to the Bondholders and the Collateral Agreement is deregistered from the Real Estate Register of the Republic of Lithuania (formerly the Mortgage Register of the Republic of Lithuania);
- (ii) upon redemption of the Bonds by the Issuer on the Redemption Date or earlier, as provided and to the extent permitted by the Prospectus;
- (iii) the Trustee ceases to meet the requirements established for a Trustee in the Law on Protection of Interests of Bondholders, including but not limited to when the Trustee acquires a status of "bankrupt" or "in liquidation";
- (iv) if other conditions established in the Law on Protection of Interests of Bondholders, the Civil Code, the Law on Insolvency of Legal Entities of the Republic of Lithuania and the Agreement on Bondholders' Protection exist.

Below please find a brief description of certain provisions of the Agreement on Bondholders' Protection as well as of the applicable Lithuanian laws, related to rights and obligations of the Trustee.

Main rights of the Trustee

- (i) to receive the list of Bondholders from the Issuer;
- (ii) to receive the copy of the decision of the sole shareholder of the Issuer (i.e. the Fund) to issue the Bonds;
- (iii) to get acquainted with the documents and information which are necessary to fulfil its functions and to receive the copies of such documents;
- (iv) after having obtained the consent of the Bondholders' Meeting, to conclude contracts with third parties when it is necessary to ensure the protection of the interests of Bondholders;
- (v) to bring an action to the Vilnius Court of Arbitration for the purpose of safeguarding the rights of the Bondholders.

The Trustee, acting on behalf of and for the benefit of the Bondholders shall also act as mortgagee under the Collateral Agreement.

Main obligations of the Trustee

- (i) to take actions in order that the Company fulfilled its obligations towards the Bondholders;
- (ii) to convene Bondholders' Meetings;
- (iii) to publish information regarding the Bondholders' Meetings being convened under procedure of the Law on Protection of Interests of Bondholders;
- (iv) to provide the Bondholders' Meetings with all relevant documents and information;
- (v) to provide Bondholders' Meeting, in which the question is being addressed regarding approval of the enforcement measures in respect of Issuer's outstanding commitments to Bondholders, the recommendatory opinion, whereby the reasoned opinion to approve or reject the enforcement measures suggested by the Issuer is provided;
- (vi) to execute the decisions of the Bondholders' Meetings;
- (vii) no later than within 5 Business Days as from the day of receipt of a request of the Bondholder(s) to provide information, to gratuitously present all the information about the Issuer, the Issue of Bonds or other information related to the protection of his/her/its/their interests;
- (viii) no later than within 3 Business Days from the receipt date of the Bondholder's request to provide a copy of the Agreement on Bondholders' Protection and/or the Collateral Agreement free of charge;
- (ix) to provide the Bondholder(s) with all other information related to the protection of his/her/its/their interests;
- (x) no later than on the next Business Day to inform the Issuer that the Trustee has lost the right to provide audit services (in this particular case), or acquired legal status "in bankruptcy" or "in liquidation".

Bondholders' Meetings

The right to convene the Bondholders' Meeting shall be vested in the Trustee, the Bondholders who hold no less than one-tenth of the Bonds of the Issue, providing voting right in the Bondholders' Meeting and the Issuer. As a general rule, the Bondholders' Meetings are convened by a decision of the Trustee. The Bondholders and Trustee shall have the right to attend the Bondholders' Meetings. The Trustee must attend the Bondholders' Meeting in cases when the Bondholders who hold no less than one-tenth of the Bonds of the Issue providing voting right in the Bondholders' Meeting approve such a need. The director of the Issuer

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or its authorised person may also attend the Bondholders' Meeting, unless the Bondholders who hold no less than one-tenth of the Bonds of the Issue providing voting right in the Bondholders' Meeting contradict thereto.

All expenses in relation to the convening and holding the Bondholders' Meeting shall be covered by the Issuer.

A notice of convocation of the Bondholders' Meeting no later than 15 Business Days before the date of the Bondholders' Meeting shall be sent to each Bondholder via parties' e-mails, if indicated in the Subscription Order, and shall be published on the website of the Trustee, and if specifically required by the Trustee – on the website of the Issuer. If any of the Bondholders expressed his / hers / its request to get notifications on the convocation of the Bondholders' Meetings via e-mail and provided the e-mail address, the notice of convocation of the Bondholders' Meeting no later than 15 Business Days before the date of the Bondholders' Meeting shall also be sent via the indicated e-mail through Trustee. The notice of convocation of the Bondholders' Meeting shall specify the details of the Issuer, the ISIN of the Bonds, time, place and agenda of the meeting.

The Trustee is obliged to ensure proper announcement on the convocation of the Bondholders' Meetings.

The Bondholders' Meeting may be convened without observing the above terms, if all the Bondholders of the Issue, the Bonds held by which carry voting right in the Bondholders' Meeting, consent thereto in writing.

A Bondholders' Meeting may take decisions and shall be held valid if attended by the Bondholders who hold more than ½ of Bonds of the Issue (excluding the Bonds held by or for the account of the Fund or any legal entity controlled by the Fund), providing voting right in the Bondholders' Meeting. After the presence of a quorum has been established, the quorum shall be deemed to be present throughout the Bondholders' Meeting. If the quorum is not present, the Bondholders' Meeting shall be considered invalid and a repeated Bondholders' Meeting shall be convened.

A repeated Bondholders' Meeting shall be convened after the lapse of at least 5 Business Days and not later than after the lapse of 10 Business Days following the day of the Bondholders' Meeting which was not held. The Bondholders must be notified of the repeated Bondholders' Meeting not later than 5 Business Days before the repeated Bondholders' Meeting following the order, indicated above.

One Bond carries one vote. A decision of the Bondholders' Meeting shall be considered taken if more votes of the Bondholders, participating in the Bondholders' Meeting and having a voting right have been cast for it than against it, unless the Law on Protection of Interests of Bondholders requires a larger majority.

The Trustee shall chair the Bondholders' Meetings, unless that meeting decides otherwise. The meeting must also elect the secretary thereof. Minutes of the Bondholders' Meeting shall be taken. The minutes shall be signed in 2 copies (to the Issuer and to the Trustee) by the chairman and the secretary of the Bondholders' Meeting.

The decisions of the Bondholders' Meeting shall be published on the website of the Trustee after the Bondholders' Meeting as soon as possible and without any delay, except parts of the decisions, which include confidential information.

The Bondholders' Meeting shall take the following decisions, which bind all the Bondholders:

- to remove the Trustee from its position and appoint a new trustee, which meets the requirements of the applicable laws and to also oblige the Issuer to terminate the contract with the existing Trustee and to conclude the contract with the new appointed trustee;
- to indicate to the Trustee that the violation committed by the Issuer is minor, thus, there is no necessity to take action regarding protection of rights of Bondholders;
- to approve the enforcement measures in respect of the Issuer's failed commitments to Bondholders, suggested by the Issuer. This decision shall be adopted by a qualified majority of no less than ¾ of Bondholders, participating in the Bondholders' Meeting and having a voting right;
- to determine, which information the Trustee will have to provide to the Bondholders' Meetings periodically or at the request of the Bondholders and to establish the procedure of provision such information;

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- to adopt other decisions which according to the provisions of Law on Protection of Interests of Bondholders are assigned to the competence of the Bondholders' Meeting.

Resolutions passed at the Bondholders' Meeting shall be binding on all Bondholders of the Issue (for the avoidance of doubt, including those Bondholders who were allotted with Bonds under this Prospectus), except for the cases, when in the decision of the Bondholders' Meeting the instructions to the Trustee are provided to execute certain actions.

Disputes regarding the decisions, adopted in the Bondholders' Meetings shall be settled in the Vilnius Court of Commercial Arbitration in accordance with its Rules of Arbitration. The number of arbitrators shall be three. The place of arbitration shall be Vilnius. The language of arbitration shall be English. The claim may be brought to the Vilnius Court of Commercial Arbitration by the Trustee, the Issuer or any Bondholder, if there are suspicions, that the content of the decision and/or its form, and/or its adoption procedure contradict to the laws regulating these issues or infringes the legitimate interests of the Bondholders. The term of 20 Business Days is established for provision of such claims as from the date on which the claimant found out or had to find out the respective decision.

Establishment, release and enforcement of the Collateral

The Issue, including the Bonds to be issued under this Prospectus, is secured by a first ranking mortgage over the Collateral under the Collateral Agreement.

The Investors acknowledge that the Project has several development and completion stages following which the Building mortgaged under the Collateral Agreement will be divided in separate premises with assigned unique numbers. The Issuer upon fulfilment of conditions prescribed in Section 6.3.1.4.2 and partial redemption of Bonds on Early Redemption Date and following the terms and conditions of the Collateral Agreement shall release from the Collateral Agreement particular premises of the Building and deregister the mortgage over those premises from the Real Estate Register of the Republic of Lithuania (formerly the Mortgage Register of the Republic of Lithuania).

The Trustee shall take all actions that the Trustee as the holder of the Collateral may reasonably take with the purpose to enforce mortgage over the Collateral according to the procedure provided for in the Collateral Agreement and applicable laws in case:

- (i) the Secured Obligation is not performed in accordance with its respective terms; and
- (ii) Bondholders' Meeting has adopted a decision to enforce mortgage over the Collateral.

The Bondholders' Meeting has the right to instruct the Trustee to take specific actions to enforce mortgage over the Collateral according to the procedure provided for in the Collateral Agreement. The Investors shall not have any independent power to enforce the Collateral or to exercise any rights or powers arising under the Collateral Agreement. Investors can exercise their rights in relation to the Collateral only through the Trustee pursuant to the Agreement on Bondholders' Protection.

The Trustee shall be entitled (but is not under any circumstances obliged) to request instructions, or clarification of any direction, from the Investors as to whether, and in what manner, the Trustee should exercise or refrain from exercising any rights, powers and discretions with regard to the enforcement of the Collateral. Upon such request, the Investors shall give their instructions or clarifications to the Trustee within the time period specified in the Trustee's request for instructions or clarifications. The Trustee may refrain from acting unless and until the Bondholders' Meeting has provided the Trustee with requested instructions or clarifications.

The Trustee is obligated to comply with these instructions submitted under this Section unless such instructions, in reasonable opinion of the Trustee, may be contrary to the Prospectus, Collateral Agreement, Agreement on Bondholders' Protection, or applicable laws. Any such instruction from the Bondholders' Meeting will be binding on all Investors. The Trustee shall not be liable in front of Investors for acting (or refraining from acting) as described in this Section.

Application of the proceeds from enforcement of the Collateral

The proceeds from the enforcement of the Collateral shall be applied in the following order of priority:

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- (i) as a first priority – to the satisfaction and payment of all costs and expenses (including, without limitation, state duties, notary fees and valuation costs and fees) related to or arising from enforcement of the Collateral by the Trustee within the limits set forth in the Agreement on Bondholders' Protection;
- (ii) as a second priority (after the full satisfaction, payment and deduction of all claims and amounts set forth in point (i) above) – payment of the claims of the Investors (other than the Related Entities) arising from the Bonds;
- (iii) as a third priority (after the full satisfaction, payment and deduction of all claims and amounts set forth in point (ii) above) – payment of the claims of the Investors which are the Related Entities.

The Trustee shall withhold the proceeds necessary for satisfying the costs, expenses specified in point (i) above and transfer the remaining proceeds to the Investors for satisfying their claims under points (ii) and (iii) above as further specified respectively below. The Trustee shall return the proceeds from the enforcement of the Collateral remaining after satisfying all claims under the order of priority established above to the Issuer.

In case the proceeds remaining after satisfying the fees, costs, expenses, damages and claims under point (i) above do not cover the claims under point (ii) above in full, the claims arising from the Bonds shall be satisfied *pro rata*.

In case the proceeds remaining after satisfying the claims of the Investors which are other than the Related Entities under point (ii) above do not cover the claims under point (iii) above in full, the claims arising from the Bonds subscribed by the Related Entities shall be satisfied *pro rata*.

The Trustee is not obliged to pay to the Investors or any other person any interest on the proceeds from the enforcement of the Collateral (whether deposited or not).

In case the Trustee is required, under applicable laws, to withhold or pay any taxes in connection with payments to be made by the Trustee hereunder, the amount to be paid by the Trustee shall be reduced by the amount of respective taxes and only the net amount shall be paid by the Trustee.

6.5. Taxation

This Section gives a general overview of taxation in the Republic of Lithuania, the Republic of Latvia, the Republic of Estonia in relation to the Bonds and should not be relied upon as being either complete or conclusive. It should be noted that Investor's individual circumstances (e.g., tax residence status, possibility to prove it, etc.) might have an impact on the tax consequences described above. For more specific personal advice, it is recommended to consult your tax adviser. The tax consequences listed below are described in accordance with respective Lithuanian, Latvian and Estonian laws and provisions of DTT that are applicable on the date of this Prospectus, subject to any change in law that may take effect after such date, provided that such changes could apply also retroactively.

Transfers of the Bonds will not be subject to any registration or stamp duties in Lithuania, Latvia, or Estonia. Therefore, the information contained in this Section will only cover withholding and income tax issues as applicable to resident and non-resident entities as well as individuals under respective Lithuanian, Latvian and Estonian tax legislation.

Terms and definitions used for the purposes of this Section

A “**resident individual**” means a natural person who is deemed to be a resident of Lithuania / Latvia / Estonia under the national provisions of respectively Lithuanian / Latvian / Estonian Law on PIT if: he/she has permanent place of residence in the Republic of Lithuania / Latvia / Estonia during the tax period, or his/her personal, social or economic interests during the tax period are located in the Republic of Lithuania / Latvia / Estonia, or he/she is present in the Republic of Lithuania / Latvia / Estonia continuously or intermittently for at least 183 days in the relevant tax period or in case of the Republic of Lithuania - at least 280 days in two consecutive tax periods and at least 90 days in one of these tax periods. In addition, Lithuanian / Latvian / Estonian citizen employed abroad by the government of the Republic of Lithuania / Latvia / Estonia is also considered as resident individual.

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All income of a resident of the Republic of Lithuania / Latvia / Estonia sourced inside and outside the Republic of Lithuania / Latvia / Estonia is subject to tax in respectively the Republic of Lithuania / Latvia / Estonia.

A “**non-resident individual**” means a natural person who is not deemed to be a resident of the Republic of Lithuania / Latvia / Estonia under the above-mentioned national provisions.

Income of a non-resident individuals sourced in the Republic of Lithuania / Latvia / Estonia is subject to the respective country's income tax.

A “**resident entity**” means a legal person (except for limited partnership fund) registered in accordance with the legal acts of respectively the Republic of Lithuania / Latvia / Estonia. In case of the Republic of Lithuania, a collective investment undertaking established in the Republic of Lithuania without a status of a legal person is also considered as resident entity.

All income of a resident entity earned in the Republic of Lithuania / Latvia / Estonia and foreign states is subject to respectively Lithuanian / Latvian / Estonian CIT rules.

A “**non-resident entity**” means a legal person which is not established in the Republic of Lithuania / Latvia / Estonia. In case of the Republic of Estonia, provisions concerning non-residents also apply to a foreign association of persons or pool of assets (excluding contractual investment fund) without the status of a legal person, which pursuant to the law of the state of the incorporation or establishment thereof is regarded as a legal person for income tax purposes.

Income of non-resident entities sourced in the Republic of Lithuania / Latvia / Estonia is subject to the Lithuanian / Latvian / Estonian CIT. A non-resident entity shall be considered to be operating through a permanent establishment (**PE**) in the territory of the Republic of Lithuania / Latvia / Estonia, where: it permanently carries out activities in the respective country, or carries out its activities in the respective country through a dependent representative (agent), or uses a building site, a construction, assembly or installation object in the respective country, or makes use of installations or structures in the respective country for extraction of natural resources, including wells or vessels used for that purpose. Taxation of non-resident entities acting through a PE in the respective country is the same as that of resident entities, if such a non-resident entity earns interest income through its PE in the respective country, thus, it is not separately described.

6.5.1. Republic of Lithuania

A. Taxation of Bond Interest

(i) Taxation of Bond Interest Received by Entities

According to Lithuanian Law on CIT, payments of Bond interest (including other applicable payments received as the difference between Bonds' redemption and issue price) received by:

- a resident entity will be included in its taxable profit and will be subject to the 15 % CIT rate or incentive CIT rate (banks and credit unions, including branches of foreign banks in Lithuania shall pay additional 5 % CIT on profits, subject to special calculation rules, exceeding EUR 2 million).
- a non-resident entity, which is registered or otherwise organized in a state of the EEA or in a state with which Lithuania has concluded and brought into effect a DTT, will not be subject to the withholding tax in Lithuania.
- a non-resident entity other than those described above will be subject to the 10% withholding tax.

In case person paying Bond interest cannot identify the Bond holder in order to determine its eligibility for a lower tax rate or exemption from the withholding tax, payments of Bond interest to any such holder of Bonds will be subject to the standard 15% CIT rate to be withheld in Lithuania. Since the same provisions concerning relevant forms to be filled in to claim DTT benefits apply as in case of Lithuanian tax non-resident individuals, please see Section 6.5.1.1. *Taxation of Bond Interest Received by Lithuanian Non-Resident Individuals*.

(ii) Taxation of Bond Interest Received by Individuals

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Payments of Bond interest (including other applicable payments received as the difference between Bonds' redemption and Issue Price) received by a resident or non-resident individual will be subject to Lithuanian PIT at the following progressive tax rates of:

- 15%, if the total amount of income received by an individual during a calendar year does not exceed the sum of 120 Lithuanian gross average salaries, which is determined on the basis of quarterly gross average salaries as published by the Lithuanian Department of Statistics (this figure in 2023 is EUR 202,188), and
- 20%, which apply to any income by an individual received during a calendar year exceeding the above-mentioned threshold.

For resident individuals, such income will exclude income from employment, self-employment, dividends, remuneration of board members and certain other types of income. PIT is paid by a resident individual himself/herself, however the total amount of interest received by resident individuals during a calendar year not exceeding EUR 500 will be tax exempt.

When interest is earned by a non-resident individual, the interest-paying Lithuanian entity or a PE of a foreign entity withhold 15% PIT and if it turns out at the end of the year that a part of the amount was actually subject to the 20% rate, the individual has to pay the difference himself/herself. Separate DTT concluded and brought into effect with Lithuania may establish a lower tax rate for non-residents. Please see more information on taxation of Bond interest received by Lithuanian non-resident individuals in the Section 6.5.1.1. below.

6.5.1.1. Taxation of Bond Interest received by Lithuanian Non-Resident Individuals

Based on Lithuanian Law on PIT, the Lithuanian sourced income (i.e., paid by the Lithuanian company or individual), such as interest, royalties, income from sports and entertainment activities, capital gains and rent from real estate located in Lithuania and capital gains from movable property registerable in Lithuania, received by non-resident individuals should be taxed in Lithuania.

PIT rate of 15% is applicable to interest (including certain other personal income types received from the Lithuanian sources) not exceeding EUR 202 188 in 2023. 20% PIT rate is applied on the excess.

Under the Law on PIT, if interest is paid out to non-resident individuals by the Lithuanian company, PIT should be withheld at source (i.e., in Lithuania) at 15% PIT rate. However, if it turns out at the end of the year that a part of the amount was actually subject to the 20% PIT rate, the non-resident individual has to pay the difference himself/herself.

Under the Lithuanian Law on PIT, if interest is paid out to the non-resident individuals by the Lithuanian company, PIT should be withheld at source, i.e., in the Republic of Lithuania. The applicable PIT rate can be reduced if the Lithuanian tax non-resident is a tax resident in the country with which the Republic of Lithuania has a valid DTT. Taking into account that the DDT provisions prevail over national laws, tax rates that are indicated in the DTT should be applicable. For your convenience, the applicable PIT rates on interest for each country's tax residents may be found here.

A reduced rate of PIT

The reduced PIT rate can apply to Bond interest income receivable from the Company if a completed **DAS-1 form** (*Claim for reduction or exemption from the anticipatory tax withheld at source*) is submitted to the Company before the pay-out for each calendar year, i.e., the same form is valid only for one year. The tax residency status should be confirmed by the foreign Tax Authorities in the said form.

The Company has to keep DAS-1 form in its internal records, and it should be provided to the Tax Authorities upon a request. Lithuanian Tax Authorities prefer to receive DAS-1 form filled in the Lithuanian language.

The detailed steps of the DAS-1 form completion are provided below:

- The *preamble* of the form should indicate the name of the country of tax residence of a Lithuanian non-resident.

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- The *preamble* and *Sections I-III* should either be completed by the Company or by the non-resident individual. The type of income - "*Palūkanos už ne nuosavybės vertybinius popierius*" (interest on Bonds) – should be indicated in the box "*Pajamų rūšis/Type of income*" (*Section III*).
- *Section IV* should indicate only the name, surname of the non-resident individual, his/her signature, and date.
- *Section V* should be completed and confirmed by the tax residence country's Tax Authorities (by the signature of the representative, stamp). If, according to the national laws, the Tax Authorities are not allowed to confirm such forms, the tax residency certificate (confirmed by the respective Tax Authorities) can be provided to the Company. The original copy of the tax residency certificate should be attached to DAS-1 form. If so, the information that the tax residency certificate is attached should be indicated in the field "*Priededama*", i.e. "*Priededama rezidavimo vietą patvirtinanti pažyma*". The original name of the document, the date of issue, its number (if any), and the number of pages should be indicated as well.
- When the above-mentioned Sections of DAS-1 form are completed and required tax residence confirmations are obtained, it is necessary to submit the original DAS-1 form to the Company. It can be mailed at:

UAB "Orkela"
Jogailos st. 4,
LT-01116 Vilnius
the Republic of Lithuania

When the Company receives DAS-1 form, it will have a right to apply the reduced PIT rate on interest received by the Lithuanian tax non-resident who is indicated in DAS-1 form. The Company completes *Section VI* by indicating the gross amounts of interest paid and PIT withheld during the calendar year. This document should be kept by the Company for its records.

A special claim for a PIT refund in the Republic of Lithuania

If the standard PIT rate has already been withheld at source by the Company, the Lithuanian non-resident of the Republic of Lithuania has a right to claim for a tax refund. In order to receive a tax refund, **DAS-2 form** (*Claim for a refund of the tax withheld at source*) should be submitted to the Lithuanian Tax Authorities.

It is necessary to complete two copies of DAS-2 form, i.e., one should be provided to the Lithuanian Tax Authorities and another should remain for the records of the individual. Lithuanian Tax Authorities prefer to receive DAS-2 form filled in the Lithuanian language.

Despite the fact that no official timing is set in the legislation for the submission of this form, it is recommended to submit it to the Tax Authorities not earlier than 15 February of the year following the calendar year of interest receipt. This is recommended since the Company is obliged to report the annual payments made to individuals to the Tax Authorities until this date. The claim for refund should be filed within 5 calendar years following the year of interest receipt.

The certificate in which the amounts of interest paid and tax withheld are identified by the Company might not be sufficient if a claim for the tax refund is submitted in the same calendar year during which the interest income was received.

The detailed steps of DAS-2 form completion are provided below:

- The *preamble* of the form should indicate the name of the country of tax residence of a non-resident of the Republic of Lithuania.
- *Sections I and V* should be completed by the individual and sent to the Company. PIT overpayment will be refunded to the bank account indicated in *Section I*. The said bank account can be opened either in a bank that operates in the Republic of Lithuania or in a foreign country.
- *Sections II, III, and IV* should be completed by the Company and returned to the individual.
- *Section VI* should be completed and confirmed by the tax residence country's Tax Authorities (by the signature of the representative, stamp). If according to the national laws, the Tax Authorities are not allowed to confirm such forms, the tax residency certificate (that is confirmed by the respective Tax Authorities) can be provided. The original copy of the tax residency certificate should then be attached to DAS-2 form. If so, the information that the tax residency certificate is attached should be indicated in the field "*Priededama*", i.e. "*Priededama rezidavimo vietą patvirtinanti pažyma*".

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The original name of the document, the date of issue, its number (if any), and the number of pages should be indicated as well. The tax/calendar year, for which the tax residence status is confirmed, should be stated on the document, otherwise, it may be impossible to receive the tax refund that is claimed by the Lithuanian non-resident.

- The last section of the form "*Lietuvos Resublikos mokesčių administratoriaus sprendimas/Decision of the Tax Authority of the Republic of Lithuania*" should remain empty, since it should be completed by the Lithuanian Tax Authorities.
- It is necessary to submit (e.g., by mail) one copy of DAS-2 form to the Lithuanian Tax Authorities at the below-indicated address (or any other territorial department of the Lithuanian Tax Authorities). The copy of the individual's personal document (passport or ID card) which is signed by the individual should be enclosed to the completed DAS-2 form as well:

Vilniaus apskrities valstybinė mokesčių inspekcija
Ulonų st. 2
LT- 08245 Vilnius
the Republic of Lithuania

The Lithuanian Tax Authorities should make the decision regarding the PIT refund within 30 calendar days after the completed DAS-2 form is received. If the decision is in favor, money should be transferred to the bank account indicated in DAS-2 form within the same 30 days. The confirmed copy of DAS-2 will be mailed back to the individual's address.

B. Taxation on Income from the Alienation of Bonds

(i) Taxation on Income from Alienation of Bonds received by Entities

Capital gains (i. e. the difference between Bonds' sale price and acquisition costs) on alienation of the Bonds received by a resident entity will be included in entity's taxable profit and will be subject to the 15% CIT rate or in certain cases incentive CIT rate. Banks and credit unions, including branches of foreign banks in Lithuania shall pay additional 5 % CIT on profits, subject to special calculation rules, exceeding EUR 2 million.

However, capital gains on alienation of Bonds received from a collective investment undertaking (either established in Lithuania or in a foreign country *mutatis mutandis* meeting the requirements enshrined in Lithuanian legislation and applicable for relevant collective investment undertakings) shall not be taxed with Lithuanian CIT. Any capital gains on alienation of the Bonds received by non-resident entities will not be subject to Lithuanian CIT.

(ii) Taxation on Income from Alienation of Bonds received by Individuals

Capital gains (i. e. the difference between Bonds' sale price and acquisition costs) on disposal of the Bonds received by a resident individual will be subject to progressive PIT rates as in case of taxation of Bond interest.

Capital gains up to EUR 500 received by resident individuals from the alienation of Bonds during a calendar year will be tax exempt. However, such tax relief is not applicable if the capital gains are received from entities established or individuals permanently residing in a tax haven included in Lithuanian Target Territories List approved by the Minister of Finance of the Republic of Lithuania.

The disposal of the Bonds by non-resident individuals will not be subject to Lithuanian PIT

6.5.2. Republic of Latvia

A. Taxation of Bond Interest

(i) Taxation of Bond Interest received by Entities

According to the Latvian Law on CIT, payments of Bond interest received by:

- a resident entity and a non-resident entity operating in Latvia through a PE is subject to Latvian CIT, only upon profit distributions or hidden distributions. Profit distributions (including hidden) are subject to Latvian CIT at a rate of 20% (effective CIT rate – 25%);
- a non-resident entity is not subject to Latvian CIT.

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Latvian CIT is charged on direct profit distributions, such as dividends, as well as on implicit (hidden) distributions, including non-business expenses, interest payments made in excess of defined thresholds, loans made to related parties (subject to specific criteria), transfer pricing adjustments and other hidden distributions. Latvian CIT is imposed at the level of the company making the distributions at the time when such profit distributions are made. Profit distributions are taxed at the rate of 20% of the gross amount of the distribution (tax base is divided by 0.8 and then tax applied at the rate of 20% resulting in the effective rate of 25%). Republic of Latvia further does not levy any withholding tax on dividends, interest or royalties, except where payable to persons resident in a statutory low or no tax country.

(ii) Taxation of Bond Interest received by Individuals

Payments of Bond interest received by a resident individual will be subject to Latvian PIT at the rate of 20%. The resident individual has an obligation to declare the income from the received bond interest and pay the PIT. Income tax paid on interest in a foreign state may be deducted from income tax payable in the Republic of Latvia only if the taxpayer submits a certificate issued by the foreign tax administrator or withholding agent certifying the payment of income tax or another tax equivalent to income tax.

B. Taxation on Income from the Alienation of Bonds

(i) Taxation on Income from the Alienation of Bonds received by Entities

Capital gains (i.e., the difference between Bonds' sale price and acquisition costs) earned in the Republic of Latvia and foreign states (i.e., sourced inside and outside of the Republic of Latvia) on alienation of the Bonds received by resident entities will not be subject to immediate taxation with CIT in the Republic of Latvia. The profit from the capital gains will be subject to Latvian CIT upon distribution or hidden distributions at a rate of 20% (effective CIT rate – 25%).

(ii) Taxation on Income from the Alienation of Bonds received by Individuals

Capital gains (i.e., the difference between Bonds' sale price and acquisition costs) earned in the Republic of Latvia on alienation of the Bonds received by resident individuals will be subject to Latvian PIT at the rate of 20%. The resident individual has an obligation to declare the income from the capital gains and pay the PIT.

6.5.3. Republic of Estonia

A. Taxation of Bond Interest

(i) Taxation of Bond Interest received by Entities

Payments of Bond interest received by an Estonian resident entity are not subject to immediate taxation with Estonian CIT. All earnings of Estonian resident entities are included in their profits and are taxed only upon distribution (e.g., in the form of dividends). If the Bond interest was sourced and taxed abroad, then the income tax paid or withheld abroad can be deducted by the Estonian resident entity upon distribution of dividends, provided this is proven by a certificate issued by the foreign tax administrator or withholding agent certifying the payment of income tax or another tax equivalent to income tax.

(ii) Taxation of Bond Interest received by Individuals

Payments of Bond interest received by an Estonian resident individual are subject to PIT at a rate of 20%. Income tax on interest payments to Estonian resident individuals is to be withheld by the payor (Issuer). However, income tax liability arising from Estonian-sourced interest can be postponed by way of acquiring the investment via Investment Account (in Estonian: *investeerimiskonto*) or Pension Investment Account (in Estonian: *pensionini investeerimiskonto*) (for more details please see below under "*Tax Deferral – Investment Account*"). In such event, income tax will not be withheld, provided the Estonian resident Bond holder notifies the payor that the Bonds were acquired from funds held in the Investment Account or Pension Investment Account (such tax deferral applies only to Estonian-sourced interest income).

Income tax paid or withheld from the payment of interest in a foreign state (from foreign source) may be deducted from income tax payable in the Republic of Estonia only if the taxpayer submits a certificate issued by the foreign tax administrator or withholding agent certifying the payment of income tax or another tax equivalent to income tax.

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B. Taxation on Income from the Alienation of Bonds

(i) Taxation on Income from the Alienation of Bonds received by Entities

Generally, capital gains earned from the sale or exchange of the Bonds (i.e., difference between the acquisition cost and the sale or exchange price of the Bonds) by Estonian resident entities are not subject to immediate taxation with CIT in the Republic of Estonia. All earnings of Estonian resident entities are included in their profits and are subject to taxation only upon the distribution of profit.

If the capital gain is taxed abroad, then the income tax paid abroad can be deducted by the Estonian resident entity upon distribution of dividends, provided this is proven by a certificate issued by the foreign tax administrator certifying the payment of income tax or another tax equivalent to income tax.

(ii) Taxation on Income from the Alienation of Bonds received by Individuals

Income earned by Estonian resident individual from the sale or exchange of the Bonds is taxed as capital gains from the transfer of property at the rate of 20 %. Earnings realised by an Estonian resident individual are taxable on a cash-basis: income tax from capital gains is not withheld by the Issuer and the Estonian resident individual has an obligation to declare the income and pay the income tax (self-assessment tax). The income tax obligation can be postponed if the Bonds are acquired via the Investment Account or the Pension Investment Account.

Income tax paid from the capital gains in a foreign state may be deducted from income tax payable in the Republic of Estonia only if the taxpayer submits a certificate issued by the foreign tax administrator certifying the payment of income tax or another tax equivalent to income tax.

Tax Deferral – Investment Account

Estonian resident individuals may defer the taxation of their investment income (including interest, provided it is sourced in the Republic of Estonia, and capital gains) by using an Investment Account for the purposes of making transactions with financial assets (including Bonds). Investment Account is a monetary account opened with a credit institution based in a member state of the EEA or the Organisation for Economic Co-operation and Development (OECD) for acquiring financial assets. The moment of taxation of the financial income accrued on an Investment Account is deferred until such income is withdrawn from the Investment Account (i.e., the funds withdrawn exceed the amount previously contributed to the Investment Account). Hence, financial income accrued on the Investment Account can be reinvested tax-free until it is withdrawn from the Investment Account.

6.6. Terms and Conditions of the Offer

General information

As indicated in this Prospectus, it is designated to (i) Offering of Bonds of the Company in the amount of up to EUR 19,049,000 and (ii) Admission of the Bonds of the Offering thereof to trading on the Bond List of Nasdaq.

This Prospectus will be valid for 12 months from its approval by the Bank of Lithuania. The Issuer may issue Bonds in Tranches up to an aggregate principal amount of EUR 19,049,000. Each Tranche shall be completed by the Final Terms the form of which is provided under Section VII *Form of Final Terms of the Bonds*.

Offer statistics

The Maximum Aggregate Nominal Value of third part of the Issue under the Prospectus and following conditions:	EUR 19,049,000
Nominal Value:	EUR 1,000
Units of Bonds:	Up to 19,049
Interest rate:	6% (fixed) per annum

NOTE: this consolidated Base Prospectus containing amendments made under the first supplement to the Base Prospectus published on the Issuer's website at https://lordslb.lt/orkela_bonds/ has not been approved by the Bank of Lithuania and is provided only for informational purpose.

Estimated gross proceeds of the Offering EUR 19,049,000
receivable by the Company

Estimated expenses to be incurred by the EUR 192,368
Company in connection with the Offering and
Admission to trading on the Bond List of Nasdaq

The Subscription procedure for the Bonds, refunds of amounts in excess application details, method and time for paying up the securities, the procedure of making the results of the Offering public is described in Sections below.

General structure of the Offering

This Offering consists of public Offering of Bonds to Retail Investors and Institutional Investors in the Republic of Lithuania, the Republic of Estonia and the Republic of Latvia under the Prospectus Regulation and the Law on Securities.

Only such prospective Investors will be eligible to participate in the Offering who at or by the time of placing their Subscription Orders (before the end of the Subscription Period) have opened securities accounts (or have the securities accounts opened by their nominee) with entities of their choice which are licensed to provide such services within the territory of the Republic of Lithuania and/or the Republic of Estonia and/or the Republic of Latvia.

To summarize the information provided in the Prospectus below, the Offering shall be structured in the following order:

Regular Offering:

- (i) the Subscription Orders as to acquisition of the Bonds shall be submitted by the Investors to the Issuer, Lead Manager and/or Manager, if any;
- (ii) based on the decision of the Issuer together with the Lead Manager the Bonds shall be finally allocated to the Investors (i.e. sending Confirmations);
- (iii) the Issue Price shall be paid by the Investors according to the order described further in this Prospectus and received Confirmations;
- (iv) the Bonds shall be registered with Nasdaq CSD and distributed to the Investors;
- (v) the Bonds will be introduced to trading on Nasdaq Vilnius.

Offering by way of an Auction (as a sole or an additional to the above indicated Subscription channel of the respective Tranche):

- (i) where the Offering of the Bonds is conducted by way of an Auction in accordance with the Special Rules of Nasdaq this shall be disclosed in the Final Terms and Nasdaq website before opening of the Auction (Subscription Period) of the respective Tranche and the Subscription Orders shall be submitted to the Exchange Members;
- (ii) the relevant funds in the amounts subscribed by the Investors are blocked in the cash accounts connected to the Investors' securities account in advance upon placing the Subscription Orders to the Exchange Members
- (iii) based on the decision of the Issuer together with the Lead Manager the Bonds shall be finally allocated to the Investors and the Exchange Members are notified through Nasdaq system;
- (iv) the settlement for the Bonds shall be made by the Exchange Members on the Investors' behalf and in accordance with the Auction Rules (i.e. Delivery Versus Payment method);
- (v) the Bonds shall be registered with Nasdaq CSD and distributed to the Investors;
- (vi) the Bonds will be introduced to trading on Nasdaq Vilnius.

The following parts of this Section 6.6 *Terms and Conditions of the Offer* shall apply to all Tranches and any Subscription method and channel available (e.g. Subscription through the Issuer, Lead Manager, Manager, if any, and/or by way of an Auction, if any), except where expressly indicated otherwise and/or the context requires otherwise.

Subscription procedure. Invalidity of the Subscription Orders

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The Subscription Period for each respective Tranche (as indicated above) will be indicated in the Final Terms of the respective Tranche to be published on the Issuer's website and on Nasdaq operated Central Storage Facility at www.crib.lt before opening of the Subscription Period. The Investors wishing to subscribe/purchase the Bonds shall submit their Subscription Orders to acquire the Bonds at any time during the Subscription Period to the Issuer, Lead Manager or Manager, if any, by means described below.

If an Auction of the Bonds is organized through Nasdaq, the Subscription Orders shall be submitted to the Exchange Members to be entered in Nasdaq trading system during the Subscription Period of the respective Tranche as described below in the part *Additional provisions in respect to Subscription procedure for the Auction*.

Please note that where the Subscription Orders are submitted to the Lead Manager or Manager, if any, or the Exchange Member, if an Auction is organized, the new Investors will be required to complete the relevant procedures (e.g. suitability and/or appropriateness tests, procedures related to the anti-money laundering or sanction) required and performed by the Lead Manager, Manager (if any), and/or the Exchange Member, if an Auction is organized, that the Subscription Orders would be accepted.

The Subscription Order form relevant for the respective Tranche will be published on the website of the Issuer at: https://lordslb.lt/orkela_bonds/ before opening of the respective Subscription Period, or shall be provided by the Lead Manager or Manager, if any, on request of the Investor. The Subscription Order shall be submitted during the indicated Subscription Period and, if confirmed, paid not later than on the Payment Date. In respect to the Auction, if any, the form of the Subscription Order shall be provided by the relevant Exchange Member the Investor engaged.

Filled-in Subscription Order forms will be accepted at the office of (i) the Issuer, at the address Jogailos st. 4, Vilnius, the Republic of Lithuania, or by e-mail of the Issuer info@lordslb.lt, if signed with a qualified e-signature, or (ii) at the office of the Lead Manager at Šeimyniškių st. 1A, Vilnius, the Republic of Lithuania, or by e-mail of the Lead Manager broker@sb.lt, if signed with a qualified e-signature, or (ii) at the office of the Manager or by e-mail of the Manager, if signed with a qualified e-signature, in cases when a Manager is appointed by the Issuer for the purposes of the Offering and respective addresses of the Manager are provided in the Final Terms of the respective Tranche.

In respect to the Auction, if any, the Subscription Orders shall be submitted by means accepted and used by the Exchange Members (e.g. physically, via the internet banking system or by any other available means).

Subscription Orders from Estonian or Latvian Investors will be accepted on a Subscription Order form in English whereas Subscription Orders from Lithuanian Investors will be accepted on a Subscription Order form in English or Lithuanian, except for what is provided above in relation to subscribing to the Bonds through the Exchange Members. The Investors are encouraged to provide electronically signed (with a qualified electronic signature) Subscription Order forms via e-mail of the Issuer, Lead Manager or Manager, if any, as prescribed above. If electronic signing is unacceptable, the Investors are allowed to submit a copy of a signed Subscription Order form to the Issuer, Lead Manager, or Manager by their respective e-mail as indicated above prior to submitting an original document to the respective office of the Issuer, Lead Manager, or Manager as indicated above.

For the avoidance of doubt, the procedure of accepting Subscription Orders described herein are applicable to all Investors irrespectively of the Investor's place of residence. Also, the treatment of Subscription Orders in the allocation is not determined on the basis of which institution or person they are made through.

Total amount of the Bonds to be acquired and indicated in each Subscription Order shall be for at least Minimum Investment Amount indicated in the Final Terms of the respective Tranche.

All Subscription Orders shall be binding and irrevocable commitment to acquire the allotted Bonds, with the exceptions stated below.

Subscription Orders will be accepted if Investors have a brokerage account agreement with the Lead Manager or other entities of their choice, which are licensed to provide such services within the territory of the Republic of Lithuania, the Republic of Estonia, the Republic of Latvia.

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Firms managing securities portfolios on a discretionary basis will have to place Subscription Orders for the Bonds by submitting the Subscription Order form along with a list of Investors on whose behalf the Subscription Order is placed. The list must include details required to be included in the Subscription Order form with respect to each Investor listed and must be signed by persons authorised to represent the firm.

The Subscription Order shall not be considered valid and shall not be processed in the following cases:

- (i) the purchase amount indicated in the Subscription Order is less than the Minimum Investment Amount; or
- (ii) the Subscription Order was received after the Subscription Period, unless the Issuer decides otherwise; or
- (iii) Subscription for the Bonds by the Investor has not been fully paid by the relevant Payment Date in accordance with the Confirmation, unless the Issuer decides otherwise; or
- (iv) the Issuer rejects the Subscription Order due to any other reasons as set forth in the Prospectus and the Subscription Order.

The Issuer has no obligation to inform the Investor about the fact that Subscription Order is invalid and reason of invalidity, but the Issuer, or Lead Manager and/or Manager, if any, on the Issuer's behalf will notify the Investor about the rejection to allot Bonds as prescribed below. In case of an Auction, the Exchange Members acting in accordance with internal rules and applicable laws shall inform the investors on rejection of provided Subscription Orders.

General information regarding the Subscription procedure

By placing a Subscription Order all Investors shall make irrevocable instruction for transferring the Bonds to securities accounts opened with the entities licensed to provide such services within the territory of the Republic of Lithuania and/or the Republic of Estonia and/or the Republic of Latvia, if the Subscription Order has not been withdrawn until the end of the Subscription Period.

By placing a Subscription Order each Investor will be deemed to have read this Prospectus, the Issuer's constitutional documents, BAS Financial Statements. The Investor may also familiarize with other documents of the Bonds, including the Collateral Agreement, the Agreement on Bondholders' Protection, the excerpt from the Securities Agreement, the excerpt from the Placement Agreement before or after placing a Subscription Order by requesting the Trustee via e-mail info@audifina.lt. Each Investor can review the Subscription Order submitted by her/him/it and/or the Confirmation received by her/him/it by requesting the Issuer, Lead Manager via addresses indicated above.

By placing a Subscription Order the Investors shall be considered as have consented to being allotted a lower number of Bonds than the number specified in such Investor's Subscription Order, or to not being allotted any Bonds at all, pursuant to this Prospectus.

An Investor will be allowed to submit a Subscription Order either personally or via a representative whom the Investor has authorized (in the form required by law) to submit the Subscription Order. More detailed information concerning the identification of Investors, including requirements concerning documents submitted and the rules for acting through authorized representatives, can be obtained by Investors from the entities accepting the Subscription Orders.

An Investor must ensure that all information contained in the Subscription Order is correct, complete and legible. The Issuer reserves the right to reject any Subscription Orders that are incomplete, incorrect, unclear or ineligible, or that have not been completed and submitted and/or have not been supported by the necessary additional documents, requested by the Issuer or the Lead Manager, or Manager, if any, during the Subscription Period and in accordance with all requirements set out in the terms and conditions of the Offering. If the Issuer rejects any Subscription Order, the Investor will receive a Confirmation like all other Investors whose Subscription Orders were accepted that will state that the Subscription Order was rejected (please note that the Confirmation will not indicate the reasons of rejection of the Subscription Order).

Any consequences of a form of Subscription Order for the Bonds being incorrectly filled out will be borne by the Investor.

Additional provisions in respect to Institutional Investors' Subscription procedure

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The Institutional Investors will also be entitled to place multiple Subscription Orders.

The Institutional Investors should contact the Lead Manager, or Manager, if any, for information on detailed rules governing the placement of Subscription Orders, in particular the documents required if an order is placed by a statutory representative, proxy or any other person acting on behalf of an Investor.

Institutional Investors that manage assets on behalf of third parties will be allowed to submit a combined order in favour of their customers, attaching a list of such customers.

In respect to the Institutional Investors, the Lead Manager and/or Manager, if any, acting on behalf of the Issuer may allow to pay for the Bonds subscribed by Delivery Versus Payment method. If coordinated with the Lead Manager and/or Manager, if any, in advance, by submitting a Subscription Order, the Institutional Investors shall authorize and instruct the broker operating the respective Institutional Investor's cash account connected to its securities account to block the whole transaction amount (i.e. the Issue Price multiplied by the amount of the Bonds subscribed) on the Institutional Investor's cash account until the allotment of Bonds and registration with the Register is completed on the Issue Date. An Institutional Investor must ensure, that no later than on the last day of the Subscription Period, but not later than on the Issue Date, there are sufficient funds on its cash account connected to securities account with the broker to cover the whole transaction amount, as indicated above.

Additional provisions in respect to Subscription procedure for the Auction

If the Issuer would decide to organize an Auction for the relevant Tranche, the Issuer will indicate such information in the Final Terms of the respective Tranche and the Auction Rules will be published on Nasdaq website at www.nasdaqbaltic.com before the start of the Auction (Subscription Period) of the relevant Tranche.

In order to subscribe for the Bonds, the Investor must have a securities account with the Exchange Member and fill in a Subscription Order form provided by the Exchange Member during the Subscription Period in order for the Exchange Member to enter a buy order in Nasdaq's trading system.

By submitting a Subscription Order to the Exchange Member, every Investor (besides other acknowledgments and undertakings provided in this Prospectus):

- (i) authorizes and instructs the Exchange Member through which the Subscription Order is submitted to arrange the settlement of the Subscription on its/his/her behalf (taking such steps as are legally required to do so) and to forward the necessary information to the extent necessary for the completion of the Subscription;
- (ii) shall ensure that when submitting a Subscription Order there are sufficient funds on the cash account connected to its/his/her securities account to cover the amount subscribed (i.e. the Issue Price multiplied by the amount of the Bonds subscribed);
- (iii) authorizes and instructs the Exchange Member through which the Subscription Order is submitted to block the whole Subscription amount on the Investor's cash account connected to its/his/her securities account until the allotment of Bonds pursuant to this Prospectus and Auction Rules, and registration with the Register is completed on the Issue Date;
- (iv) authorizes the Exchange Member, Issuer, Lead Manager and Nasdaq to process, forward and exchange its/his/her personal data and information in the Subscription Order in order to participate in the Offering, to accept or reject the Subscription Period and comply with this Prospectus and fulfill the Issuer's obligations under this Prospectus;
- (v) acknowledges that the Offering does not constitute an offer (in Lithuanian: *oferta*) of the Bonds by the Issuer in legal terms, and that the submission of a Subscription Order does not constitute the acceptance of an offer, and therefore does not in itself entitle the Investor to acquire the Bonds, nor results in a contract for the sale of the Bonds between the Issuer and the Investor, unless the Bonds are allotted to the Investor pursuant to this Prospectus and Bonds are registered with the Register on the Issue Date;
- (vi) confirms that it/she/he has got familiarized with this Prospectus, respective Final Terms and Auction Rules.

The Investors shall acknowledge that in case of an Auction, payment for the Bonds subscribed and distribution of the Bonds are made by Delivery Versus Payment method, meaning that the settlement procedure is carried out by Nasdaq CSD and Exchange Members on the Payment Date / Issue Date in

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accordance with the Auction Rules and title to the Bonds purchased in the Subscription process is obtained upon Bonds transfer to respective securities account which is done simultaneously with making the cash payment for the purchased Bonds.

Withdrawal of the Subscription Orders

Subscription Orders for the Bonds of the respective Tranche may be withdrawn at any time until the end of the relevant Subscription Period, including when a supplement is made public concerning an event or circumstances occurring before the end of the relevant Subscription Period. The supplement to the Prospectus will be published on the Issuer's website at https://lordslb.lt/orkela_bonds/ and on Nasdaq operated Central Storage Facility at www.crib.lt. The Investor who has made a Subscription Order before the publication of the supplement may withdraw such Subscription Order by submitting a written statement to the institution where the Subscription Order was made.

Where the Bonds are purchased or subscribed through the Issuer, the Issuer shall ensure that the Investors can exercise their right to withdraw the Subscription Orders once the supplement to the Prospectus is published on the Issuer's website as described above and the Issuer will inform the Investors by the end of the first Business Day following that on which the supplement to the Prospectus is published on the website of the Issuer.

Where the Bonds are purchased or subscribed through a financial intermediary (either the Lead Manager, Manager or other firms providing investment services to the Investor), that financial intermediary shall inform Investors of (i) the possibility of a supplement being published, (ii) Investors' will be informed by the end of the first Business Day following that on which the supplement to the Prospectus is published on the website of the Issuer, and (iii) assure that the financial intermediary would assist them in exercising their right to withdraw Subscription Orders in such case.

The above right of Investors to withdraw their Subscription Order shall only apply to the relevant Tranche and not to any other Tranches of Bonds under this Prospectus.

The repayments will be made (or the blocked funds will be released) in accordance with the Subscription Order within 3 Business Days after making the statement on the Subscription cancellation. An Investor will be liable for the payment of all fees charged by the intermediary, used by the Investor for Subscription of Bonds in connection with the withdrawal of the Subscription Order.

Pricing

The Nominal Value of the Bond is EUR 1,000.

The Issue Price of the Bonds of different Tranches to be offered under this Prospectus may vary from Tranche as the Issuer will determine the Issue Price considering the Nominal Value per Bond, Yield and the interest accrued from the last Interest Payment Date in accordance with prevailing market conditions. The exact Issue Price of the Bonds of the relevant Tranche will be indicated in the Final Terms.

Placing and Underwriting

Šiaulių bankas, AB, legal entity code 112025254, with its registered address at Tilžės st. 149, Šiauliai, the Republic of Lithuania and appointed as the Lead Manager acting on behalf the Issuer for the purposes of the Offering in the Republic of Lithuania, the Republic of Estonia, the Republic of Latvia and Admission of the Bonds to trading on the Bond List of Nasdaq.

The Lead Manager is also acting as a paying agent on behalf of the Issuer in relation to Nasdaq CSD.

The placing commission to be paid to the Lead Manager under the Placement Agreement amount up to EUR 100,000.

No underwriting agreement has been signed neither with the Lead Manager, nor with any other persons for the purposes of this Offering.

No assignment or transfer

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Rights arising out of this Prospectus in relation to the subscription for the Bonds (including, without limitation, rights arising from any Subscription Orders or any acceptance thereof) are not assignable, tradable or transferable in any way and any assigned or transferred rights will not be recognised by the Company and will not be binding on the Company.

Procedure and dates for payment for the Bonds

Investors whose Subscription Orders were partially or completely satisfied are obliged to transfer the Issue Price which has been indicated in the Confirmation and which is payable for the Bonds, to the Settlement Account on the relevant Payment Date of the respective Tranche specified in the Final Terms, unless otherwise indicated in the Confirmation, except that in case of an Auction, the Issue Price payable by the Investors subscribing to the Bonds through the Exchange Members is blocked in advance as prescribed in this Prospectus and settled by the Exchange Members in accordance with this Prospectus and Auction Rules (i.e. Delivery Versus Payment method). The Issuer has the right (but not an obligation) to accept also payments made with delay, but not later than until the Issue Date. The details of the Settlement Account shall be provided in the Confirmation. The Bonds shall be registered with the Register by the Registrar on the relevant Issue Date if the Investor submitted the Subscription Order and paid the Issue Price before or on the Issue Date.

The funds received from the Subscription and payment of the Bonds by the Investors, shall be deposited in the Settlement Account and recorded in the Securities Account. The money of the Investors who paid for the Bonds offered and subscribed for under this Prospectus and held within the Settlement Account (and recorded in the Securities Account) will be used only for the following payments: (i) payments to the Issuer's bank account after the Issue of Bonds and submission of the documents to the Lead Manager as set forth in the Securities Account Agreement, (ii) reimbursement to the Investors if the Offering has been suspended or cancelled as set forth in this Prospectus; or (iii) reimbursement to the Investors who were not allotted with the Bonds in full or partially. The funds shall be released under point (i) above from the Settlement Account only after the Bonds of the respective Tranche are issued and registered with the Register.

The Investors who have not been allotted any Bonds or whose Subscriptions Orders have been reduced will receive reimbursements of the payment made upon placing the Subscription Order. The reimbursement will take place within 10 Business Days as from the end of the Subscription Period of the respective Tranche. The payments shall be returned without any reimbursement for costs incurred by the Investors in the course of subscribing for the Bonds and shall be net of all transfer expenses and without interest.

For the avoidance of doubt, in respect to the Auction, the Investors who have not been allotted any Bonds or whose Subscription Orders have been reduced will receive reimbursements from the Exchange Members (i.e. block on the funds will be removed). Neither the Issuer nor the Lead Manager shall be responsible for any relationships between the Investor and Exchange Member in connection with any operations happening on the cash account connected to the Investors' securities account.

Payments for the Bonds are interest free.

Allotment of the Bonds to the Investors

After expiry of the relevant Subscription Period, the Issuer shall decide according to the time priority principle (first come-first served) on which Investors, which have provided their Subscription Orders, shall be allotted with the Bonds and to what amount, and which Investors shall not be allotted with the Bonds.

The Lead Manager will be responsible for the bookkeeping and all the Subscription Orders (even those submitted to the Issuer) shall be handed over to the Lead Manager with the clear indication of the time of their submission (except in case of an Auction). Therefore, for the establishment of the time priority principle, each duly signed Subscription Order will be registered on the Bond subscription journal, which will be managed by a dedicated employee of the Lead Manager. For the avoidance of doubt, when an Auction is organized, Nasdaq will record buying orders entered in Nasdaq trading system by the Exchange Members during the Subscription Period and will provide the records journal to the Lead Manager in accordance with the Auction Agreement.

After the Subscription Period, the Lead Manager shall provide to the Issuer the Bond subscription journal as for the Issuer to decide on the allotment of the Bonds to the Investors.

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If an Investor decides to decrease or increase number of Bonds being subscribed, previously submitted Subscription Order will be terminated, the Investor will lose its previous entry in the Bond subscription journal and its priority to be allotted with Bonds will be determined by a newly submitted Subscription Order within the Subscription Period, if any. When the aggregate amount of the respective Tranche of the Issue is reached, no more Bonds of this Tranche shall be allotted to the Investors. Therefore, there can be the case that the number of the Bonds requested in the Subscription Order of any Investor in case of oversubscription will be reduced accordingly, so that the Maximum Aggregate Nominal Value of the respective Tranche is not exceeded, and Investor waives any right to complaint on any such decision of the Issuer. If an Investor makes a Subscription Order after the expiry of the relevant Subscription Period (but prior to the Issue Date), the Issuer may decide on additional allotment of Bonds to such Investor if the Maximum Aggregate Nominal Value of the Tranche is not yet exceeded.

Confirmations

At the latest by 16:30 on the last Business Day before the relevant Payment Date of the respective Tranche the Issuer (or Lead Manager and/or Manager, if any, on the Issuer's behalf) shall submit the Confirmation to each Investor stating whether the Subscription Order was accepted, partially accepted or rejected. If the latter is not possible, because the Issuer has treated as valid also Subscription Orders submitted after the relevant Subscription Period, the Issuer (or Lead Manager and/or Manager, if any, on the Issuer's behalf) shall submit the Confirmation to the relevant Investor latest by 16:30 on the last Business Day before the Issue Date of the relevant Tranche.

For the avoidance of doubt, in case of an Auction, if any, the Confirmations are not sent to the Investors and/or Exchange Members, as announcement about allotment of the Bonds is made to the Exchange Members through Nasdaq CSD in accordance with the Auction Rules. The Exchange Members shall notify the relevant Investors about allotment of the Bonds pursuant to the Exchange Members' internal documents and procedures and applicable law.

The procedure of sending Confirmations shall apply to all Tranches of Bonds.

Cancellation or suspension of the Offering

The Issuer, at its own discretion, may cancel the Primary Distribution of the respective Tranche at any time prior to the relevant Issue Date without disclosing any reason for doing so. Any updates to the dates of opening and closing of the Primary Distribution of the respective Tranche or decision that the Primary Distribution of the respective Tranche will be suspended (postponed) and that new dates of the Primary Distribution of the respective Tranche will be provided by the Issuer later are subject to updating the Final Terms of the respective Tranche. In such events, Subscription Orders for the Bonds that have been made will be disregarded, and any payments made in respect of the submitted Subscription Orders will be returned without interest or any other compensation to the Investors.

If the Primary Distribution of the respective Tranche is suspended (postponed), the Issuer shall notify the Investors on suspension (postponement) of the Primary Distribution indicating whether the Subscription Orders made and payments made will be deemed to remain valid after publication of the updated Final Terms of the respective Tranche on the Issuer's and Nasdaq websites. In such case, the Investors will be allowed to withdraw the Subscription Orders made by submitting a relevant statement to that effect within 3 Business Days after the updated Final Terms of the respective Tranche has been published on the Issuer's website and on Nasdaq operated Central Storage Facility at www.crib.lt. For the avoidance of doubt, if the Investor does not provide a withdrawal statement, the Issuer will continue Primary Distribution of the respective Tranche on changed terms in accordance with published updated Final Terms of the respective Tranche and relying on previously submitted Subscription Order.

Any decision on cancellation, suspension and changes of dates of the Primary Distribution or other information will be published on the Issuer's website at https://lordslb.lt/orkela_bonds/ and on Nasdaq operated Central Storage Facility at www.crib.lt, and/or sent to the Investors via e-mail indicated by each Investor in its Subscription Order.

If the Primary Distribution of the respective Tranche is cancelled, suspended, or postponed, Investors that placed Subscription Orders and paid for the Bonds will get their payments back (except in case of an Auction):

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- (i) if the Primary Distribution is cancelled – within 3 Business Days after the Issuer announces to the Investors about the Primary Distribution's cancellation;
- (ii) if the Primary Distribution is suspended (postponed) – within 3 Business Days after the date on which the Investor has made a statement cancelling placed Subscription Order or 3 Business Days after the date that the Issuer announces that the placed Subscription Orders are not valid.

In respect to cancellation or suspension (postponement) of the Auction, the Exchange Members shall be responsible for removing block on the Investors' funds.

The timely repayment of money paid will be without any interest or compensation.

6.7. Admission to Trading

The Issuer shall submit an application regarding Admission of each Tranche of the Bonds to trading on the Bond List of Nasdaq.

The decision as to admission of Bonds to trading on Nasdaq Vilnius shall be adopted by the Board of Nasdaq Vilnius. The Company shall take all the measures, established in Nasdaq rules, needed that the Bonds would be admitted to trading on Nasdaq Vilnius as soon as practicably possible.

The Issuer expects that the Bonds of the respective Tranche shall be admitted to trading on the Bond List of Nasdaq within 6 months as from placement thereof to the Investors the latest. Disregarding this, the Issuer will put its best endeavours so that these terms would be as short as practicable possible.

The Issuer shall also put its best efforts to ensure that the Bonds remain listed on the Bond List of Nasdaq. The Issuer shall, following a listing or Admission to trading, take all reasonable actions on its part required as a result of such listing or trading of the Bonds.

The costs which are related to the Admission of the Bonds to the Bond List of Nasdaq Vilnius will be covered by Investors indirectly as described in the Prospectus.

The Issuer does not intend to apply for admission of the Bonds (or part thereof) to trading on other regulated markets or equivalent markets.

The Issuer does not intend to appoint any firm to act as intermediary in secondary trading on the Nasdaq Vilnius, providing liquidity through bid and offer rates.

6.8. Additional Information

Lead Manager

The issuer under the Placement Agreement (described below) has appointed Šiaulių bankas, AB, legal entity code 112025254, with its registered address at Tilžės st. 149, Šiauliai, the Republic of Lithuania, as the Lead Manager acting on behalf the Issuer for the purposes of the Offering and Admission of the Bonds to trading on the Bond List of Nasdaq.

Placement Agreement

On 21 November 2022 the Issuer and the Lead Manager have concluded a Placement Agreement in respect of the Offering and Admission.

The Issuer and the Lead Manager do not expect to enter into an underwriting agreement.

Based on this agreement and following the preliminary calculations, the Issuer's expenses, related to this Offering and Admission, shall comprise of up to 2% from the gross proceeds from the placement of the Bonds (including the fees for the Lead Manager, the legal counsel, fees to Nasdaq CSD and Nasdaq).

The Issuer has agreed to pay all commissions and expenses in connection with the Offering. However, the Investors will bear their own costs related with the evaluation and participation in the Offering, e.g. standard brokerage fees charged by the broker. Investors may incur currency exchange costs, which will depend on applicable transaction fee and applied exchange rate by their bank or brokerage company.

NOTE: this consolidated Base Prospectus containing amendments made under the first supplement to the Base Prospectus published on the Issuer's website at https://lordslb.lt/orkela_bonds/ has not been approved by the Bank of Lithuania and is provided only for informational purpose.

Securities Account Agreement

On 21 November 2022 the Issuer and the Lead Manager have concluded a Securities Account Agreement, according to which the Lead Manager shall (i) open Bonds Issue registration accounts with Nasdaq CSD, (ii) represent the Issuer with Nasdaq CSD in relation to accounting of the Bonds on Nasdaq CSD, (shall act as the Issuer's representative with Nasdaq CSD), (iii) pay interest under the Bonds through the Nasdaq CSD to the Bondholders from the interest amount transferred to the Lead Manager by the Issuer, (iv) prepare a list of Bondholders eligible to Interest, calculate the Interest payable to the Bondholders, provide the Issuer with the information on the Interest amount to be paid to the Bondholders and, upon receipt of the total Interest amount to transfer this amount to Nasdaq CSD, which transfers the Interest to each public trading intermediary crediting to each Bondholder's cash account.

Moreover, the Securities Account is opened under and maintained in accordance with the Securities Account Agreement.

Agreement on Protection of Interests of Bondholders

On 8 December 2021 the Issuer and the Trustee have concluded an agreement on protection of interests of Bondholders and collateral agency, according to which the Trustee acts as the representative of the Bondholders in accordance with the Law on Protection of Interests of Bondholders and acts as the mortgagor (Collateral Agent) under the Collateral Agreements on behalf and for the benefit of the Bondholders.

No agreements with Managers

At the date of this Prospectus, the Company has not concluded any placement (distribution) agreements with Managers in respect to the Offering and Admission.

However, in case the Company concludes such placement agreement with any Manager, such Manager's details will be disclosed in the respective Final Terms published on the Issuer's website and on Nasdaq operated Central Storage Facility at www.crib.lt before opening of the Subscription Period of the respective Tranche.

Representation Agreement

The law firm Ellex Valiūnas ir partneriai, with its registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania is appointed by the Issuer as legal adviser acting on behalf the Issuer for the purposes of the Prospectus related matters and Issuer's representation at the Bank of Lithuania under the representation agreement dated 18 February 2022.

Audited information

The BAS Audited Financial Statements for the years ended 31 December 2021 and 31 December 2022 (incorporated by reference in the Prospectus) were prepared in accordance with the BAS and audited by UAB "KPMG Baltics", legal entity code 111494971, having its registered address at Lvovo st. 101, LT-08104 Vilnius, the Republic of Lithuania. The audit for the years 2021 and 2022 was executed by auditor Mrs. Ieva Voverenė, auditor's licence No. 000329.

No other information contained in the Prospectus was audited.

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VII. FORM OF FINAL TERMS OF THE BONDS

FINAL TERMS OF THE BONDS

[Date]

UAB "Orkela"

Issue of EUR [*Aggregate Nominal Value of the Tranche*] Bonds

under the EUR 40,000,000 Bond Issue

This document constitutes the Final Terms for the Bonds described herein and must be read in conjunction with the Terms and Conditions which are provided in the Company's base prospectus drawn up by the Company, dated 14 November 2023 (the **Prospectus**). Full information on the Company and the offer of the Bonds is only available on the basis of the combination of these Final Terms, the Terms and Conditions and the Prospectus.

The Prospectus, including all its supplements, if any, and these Final Terms are and will be available for acquaintance at the Company's website (https://lordslb.lt/orkela_bonds/). Terms used herein are defined in the Prospectus.

The Bonds are issued based on decision of the sole shareholder of the Issuer (i.e. the Fund) dated 2 December 2021, with clarifying decisions of the sole shareholder (i.e. the Fund) adopted on 7 December 2021 and on 13 December 2021.

A summary of this Tranche of Bonds has been appended to these Final Terms. The Final Terms have been filed with the Bank of Lithuania but are not subject to approval proceedings.

1.	Issuer	UAB "Orkela"
2.	Number of Tranche	[number]
3.	Maximum Aggregate Nominal Value of the Issue	EUR 40,000,000
4.	Maximum Aggregate Nominal Value of the Tranche	EUR [<i>amount</i>]. [The aggregate Nominal Value of the Tranche may be increased by the Company up to EUR [<i>amount</i>] until the Issue Date]
5.	Maximum Aggregate Nominal Value of the Tranche for offering through the Auction	EUR [<i>amount</i>]. [n/a]
6.	Issue currency	EUR
7.	Nominal Value	EUR 1,000
8.	Issue Price	EUR [<i>amount</i>]
9.	Minimum Investment Amount	EUR [<i>amount</i>]
10.	Issue Date	[date]
11.	Final Maturity Date	19 January 2025

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12.	Redemption/Payment Basis	Redemption at par
13.	Interest	
	(i) Interest Payment Dates	[dates]
	(ii) Interest Rate	6% (fixed) annually
	(iii) Interest calculation method	Act/Act (ICMA) day count convention
14.	Yield	[number]% annually
15.	Offering jurisdictions	The Republic of Lithuania, Estonia and Latvia
16.	Subscription Period	[beginning and end times of period]
17.	Payment Date	[date]
18.	ISIN code	LT0000405961
19.	Expected listing and admission to trading on the Bond List of Nasdaq date	[date]
20.	Placing and underwriting	[Not applicable/description of entities agreeing to underwrite the Issue on a firm commitment basis and/or agreeing to place the issue without a firm commitment or on a "best efforts" basis and respective arrangements]
21.	Subscription channels	[description]

Signed on behalf of UAB "Orkela"

Date:

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COMPANY

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e-mail info@lordslb.lt

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Tilžės st. 149, LT-76348
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e-mail broker@sb.lt

LEGAL ADVISER

Ellex Valiūnas ir partneriai
Jogailos st. 9, LT-01116
Vilnius, the Republic of Lithuania

AUDITOR

UAB "KPMG Baltics"
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